



06<sup>th</sup> Sept, 2017

Central Bank of India  
Debenture Trustee Section  
4<sup>th</sup> Floor, Central Bank Building  
MG Road, Fort  
Mumbai 400001

Attn: Mr. Motwani

**Subject: Periodical report for the quarter ending 30<sup>th</sup> June, 2017 in respect of Secured Redeemable Non-Convertible Debentures 10.10% Rs.500 crores and 10.40% Rs.500 crores issued by the Company.**

Dear Sir,

This is in respect of the aforesaid subject:

- i) Utilization of Funds – We have already provided utilization certificate for these Bonds.
- ii) Creation of Debenture Redemption Reserve – Debenture redemption reserve has been created for amount maturing in FY16-17.
- iii) Payment of Interest up to the last due date is given below:

Sr. No.	Debenture Series	Interest Amount	Last Due Date	Actual Payment Date	Next Payment Date
1	10.10% Secured, Redeemable Non-Convertible Debentures	505,000,000	30-Nov-16	30-Nov-16	30-Nov-17
2	10.40% Secured, Redeemable Non-Convertible Debentures	520,000,000	30-Nov-16	30-Nov-16	30-Nov-17

- iv) Status of Redemption of Debentures is given below:

Sr. No.	Debenture Series	Principle Due Amount	Last Due Date	Actual Payment Date	Next Payment Date
1	10.10% Secured, Redeemable Non-Convertible Debentures	-	NA	NA	25-Apr-18
2	10.40% Secured, Redeemable Non-Convertible Debentures	-	NA	NA	20-Jun-18

- v) The Properties secured for the Debentures are adequately insured.
- vi) In case of default, number of installments defaulted – No case of default
- vii) Asset Cover is 1.33 times as at 30<sup>th</sup> June, 2017.

**The Tata Power Company Limited**

Corporate Strategic Finance & Treasury Corporate Centre Block 'B' 34 Sant Tukaram Road Carnac Bunder Mumbai 400 009

Tel 91 22 6717 1000 Fax 91 22 6717 1334

Registered Office Bombay House 24 Homi Mody Street Mumbai 400 001

Website : [www.tatapower.com](http://www.tatapower.com) Email : [tatapower@tatapower.com](mailto:tatapower@tatapower.com) CIN : L28920MH1919PLC000567



2.

- i) Accounts for the quarter ended 30<sup>th</sup> June, 2017 is attached.
- ii) Number, Names and Addresses of Debenture holders as on 30<sup>th</sup> June, 2017 is attached.
- iii) Credit rating assigned to the Debentures at present -- The Credit rating issued by CRISIL and ICRA are attached.
- iv) There have been no grievances received by the Company on the said Bond issue.
- v) The Company has complied with all the provisions, of the Debt Listing Agreement with National Stock Exchange of India Limited

3. Change in composition of the Board of Directors of the Company during the quarter ending 30<sup>th</sup> June, 2017, Dr. Homiar S. Vachha ceased to be a director w.e.f. 23rd April 2017, upon attaining 75 years of age. Mr. K. M. Chandrasekhar was appointed as an Independent director w.e.f. 4th May 2017.

Thanking you,

Yours truly,

**For The Tata Power Company Limited**

A handwritten signature in blue ink, appearing to be 'S. Vachha'.

**Authorised signatory**



THE TATA POWER COMPANY LIMITED  
LIST OF HOLDERS (DEBENTURE)

ISIN : INE245A07119

Capital 5000

Effective Date : 30-Jun-2017

Face Value : 1000000.000

Issue Date : 20-Jun-2008

Maturity Date : 20-Jun-2018

SRNO	NAME	Bene_address/Phone/Fax no/Email Id	Total Position
1	LIFE INSURANCE CORPORATION OF INDIA	INVESTMENT DEPARTMENT 6TH FLOOR, WEST WING, CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI 400021 P :66598628/66598663 F : 22810448	1000
2	GENERAL INSURANCE CORPORATION OF INDIA	SURAKSHA. 170, J. T A T A ROAD, CHURCH GATE MUMBAI 400020 P :283 3046 F : 287 4129	150
3	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	INVESTMENT DEPARTMENT, 06TH FLOOR WEST WING, CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI 400021 P :66598628/66598663 F : 22810448	3850
			<b>5000</b>

For The Tata Power Company Limited

Authorized signatory



THE TATA POWER COMPANY LIMITED

LIST OF HOLDERS (DEBENTURE)

ISIN : INE245A07101

Capital 5000

Effective Date : 30-Jun-2017

Face Value : 1000000.000

Issue Date : 25-Apr-2008

Maturity Date : 25-Apr-2018

SRNO	NAME	Bene_address/Phone/Fax no/Email Id	Total Position
1	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE FIXED HORIZON FUND XXV SERIES 15	DEUTSCHE BANK AG, DB HOUSE HAZARIMAL SOMANI MARG, P.O.BOX NO. 1142, FORT MUMBAI 400001 P :022 - 7180 3000 F : 022 - 7180 3901	350
2	TATA CONSULTANCY SERVICES EMPLOYEES PROVIDENTFUND	HDFC BANK LTD, CUSTODY SERVICES LODHA I THINK TECHNO CAMPUS OFF. FLR 8, NEXT TO KANJURMARG STN KANJURMARG EAST, MUMBAI 400042 E :milind.m@tcs.com	150
3	LIFE INSURANCE CORPORATION OF INDIA	INVESTMENT DEPARTMENT 6TH FLOOR, WEST WING, CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI 400021 P :66598628/66598663 F : 22810448	1950
4	GENERAL INSURANCE CORPORATION OF INDIA	SURAKSHA. 1 7 0, J. T A T A ROAD, CHURCH GATE MUMBAI 400020 P :283 3046 F : 287 4129	50
5	EXPORT CREDIT GUARANTEE CORPORATION OF INDIA LIMITED	NIRMAL BLDG, 5TH FLOOR 241/242, BACKBAY RECLAMATION NARIMAN POINT MUMBAI 400021 P :66590736 F : 66590755/766	150
6	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	INVESTMENT DEPARTMENT, 06TH FLOOR WEST WING, CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI 400021 P :66598628/66598663 F : 22810448	2000
7	VIJAYA BANK EMPLOYEES PENSION FUND	VIJAYA BANK 41/2, M.G.ROAD TRINITY CIRCLE BANGALORE 560001 P :5327596 F : 5598018	50
8	ARMY GROUP INSURANCE FUND	AGI BHAWAN RAO TULA RAM MARG POST VASANT VIHAR NEW DELHI NEW DELHI 110057 NEW DELHI NEW DELHI 110057 P :01126147465 F :01126148471 E :agiem@gmail.com	300
			<b>5000</b>

For The Tata Power Company Ltd.

Authorised Signatory

**Rating Rationale**  
 May 18, 2017 | Mumbai

**The Tata Power Company Limited**  
*Rated amount enhanced*

## Rating Action

Total Bank Loan Facilities Rated	Rs.13805.35 Crore (Enhanced from Rs.10305.35 Crore)
Long Term Rating	CRISIL AA-/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)
Rs.1605 Crore Non Convertible Debentures	CRISIL AA-/Stable (Reaffirmed)
Rs.1500 Crore Perpetual Non Convertible Debentures	CRISIL AA-/Stable (Reaffirmed)
Rs.1500 Crore Subordinated Non-Convertible Debentures	CRISIL AA-/Stable (Reaffirmed)
Rs.500 Crore Short Term Debt	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

## Detailed Rationale

CRISIL has reaffirmed its 'CRISIL AA-/Stable/CRISIL A1+' ratings on the bank facilities and debt programmes of The Tata Power Company Ltd (Tata Power). In December 2016, Central Electricity Regulatory Commission (CERC), based on an Appellate Tribunal for Electricity (APTEL) order dated April 7, 2016, came up with a formula for the relief to be provided in the form of compensatory tariff based on force majeure conditions for Mundra Ultra Mega Power Project (UMPP) held through Coastal Gujarat Power Ltd (CGPL; 'CRISIL A-/Stable/CRISIL AA-(SO)/Stable/CRISIL A1+(SO)'), a subsidiary of Tata Power. However, in April 2017, the Supreme Court set aside the order, and hence, no relief is expected for CGPL. CRISIL has taken cognisance of the above outcome and has reaffirmed its ratings on the bank facilities and outstanding debt programme of Tata Power.

The ratings continue to reflect Tata Power's stable cash accrual from regulated businesses, which account for more than 40% of total capital employed; its strong management; and robust financial flexibility, further enhanced by being a part of the Tata group. The ratings also factor increased diversity post-acquisition of renewable assets of Welspun Renewables Energy Pvt Ltd (WREPL) through Tata Power's subsidiary, Tata Power Renewable Energy Ltd (TPREL; 'CRISIL A1+(SO)'). These strengths are partially offset by continued losses in the Mundra UMPP held through CGPL, on account of unviable project economics; declining dividends from Indonesian coal investments; high gearing; and weak debt protection metrics.

## Analytical Approach

CRISIL has combined the business and financial risk profiles of Tata Power; Tata Power's Delhi Distribution Company Ltd (TPDDL); CGPL; Maithon Power Ltd (MPL; 'CRISIL AA-/Stable/CRISIL A1+'), operating the 1050-megawatt (MW) thermal power plant at Maithon; TPREL, a company executing renewable projects for Tata Power; power trading arm Tata Power Trading Company Ltd ('CRISIL A1+(SO)'); transmission subsidiary Powerlinks Transmission Ltd (PTL; 'CRISIL AA+/Positive/CRISIL A1+'); a joint venture with Power Grid Corporation of India Ltd (Power Grid; 'CRISIL AAA/Stable/CRISIL A1+'); Industrial Energy Ltd; Tata Power Solar Systems Ltd (TPSSL; 'CRISIL A/Stable/CRISIL A1/CRISIL A1+(SO)'); and the SPVs formed for the acquisition of coal entities in Indonesia, including Bhira Investments, Bhivpuri Investments, and Khopoli Investments. CRISIL has also combined the business and financial risk profiles of Tata Power's coal operating entities in Indonesia on a proportionate basis. The company has an effective stake of 30% in PT Kaltim Prima Coal and of 26% in PT Baramulti Sukses Sarana Tbk, and both these companies are under a common management.

## Key Rating Drivers &amp; Detailed Description

## Strengths

\* **Stable cash accrual from regulated businesses:** Tata Power earns stable income from its regulated businesses such as power generation and distribution in Mumbai, distribution business in New Delhi, the 1050 MW capacity of Maithon Power, and its transmission businesses. These accounted for over 55% of consolidated EBITDA (earnings before interest, tax, depreciation, and amortisation) in fiscal 2016, and provide stable cash flow. CRISIL believes Tata Power's credit risk profile will continue to benefit from steady returns in regulated businesses which will provide stable cash accruals. Post-acquisition of Welspun assets, earnings before interest, depreciation, tax and amortisation (EBITDA from regulated business will account for 50% of consolidated EBITDA over the medium term. Any further material decline in the proportion of cash accrual from the stable, regulated businesses will remain a rating sensitive factor.

\* **Strong management, and robust financial flexibility:** Tata Power's financial flexibility is robust, marked by stable cash accrual from existing businesses and adequate liquidity with cash balance of Rs 1200 crore on a consolidated basis as on September 30, 2016. Financial flexibility is also enhanced by being a part of the Tata group, which enhances access to the capital market and the banking system. Also, Tata Power's financial flexibility is supported by its investment in various Tata group entities such as Tata Communications Ltd ('CRISIL A1+'), which can be liquidated if required.

\* **Acquisition of renewable assets leading to increased diversity:** The acquisition of Welspun assets has strengthened Tata Power's presence in the renewable space, with increase in capacity to about 2.3 gigawatt (GW) from 1.2 GW as on March 31, 2016, and wider geographical reach with presence in 10 states. It translates to more than 20% of generation capacity from renewables, and will contribute 15-18% to consolidated EBITDA over the medium term. Although the business risk profile of the newly acquired assets is relatively weaker than that of the regulatory assets, a significant proportion of the newly acquired assets are operational, lending diversity and partially offsetting high risks in the Mundra UMPP.

## Weaknesses

\* **Unviable project economics of CGPL, and reducing dividend from coal companies:** Nearly 25% of Tata Power's total capital employed is invested in CGPL, which continues to make losses on account of unviable project economics, adversely impacting Tata Power's credit risk profile. CGPL's unfavourable project economics are primarily on account of the 55% non-escalable variable charges component in the tariff. As the variable component is primarily linked to coal price, the change in coal pricing regulations by the Indonesian government resulted in increase in fuel costs and substantial loss for CGPL. Besides, Tata Power was relying on dividends from some of its Indonesian coal companies to mitigate the impact of increasing coal costs on CGPL's debt servicing capability. However, CGPL's credit risk profile remains susceptible to fluctuations in coal prices. CRISIL believes CGPL will continue to require support from Tata Power to meet its debt obligation over the medium term. Tata Power has signed a definitive agreement to sell PT Arutmin Indonesia to the erstwhile owners,

the Bakrie family of Indonesia, which will be a rating monitorable over the medium term.

\* High leverage, albeit correction expected over the medium term: Tata Power has a leveraged capital structure, with consolidated adjusted gearing of around 2.5 times, primarily due to large debt of Rs 49,500 crore, as on December 31, 2016 and thereby weakening the company's financial risk profile. The Welspun renewables asset acquisition, at an enterprise value of Rs 9,250 crore, was funded through project-related debt of Rs 5,500 crore, medium-term debt of Rs 3,500 crore, and internal accrual. The medium-term debt is expected to be replaced by equity or repaid through sale of non-core investments. Hence, the debt/EBITDA ratio and adjusted gearing are expected to improve to 5 times and 2 times, respectively, as on March 31, 2018. The equity infusion or sale of non-core investments is expected over the next 6 months. Any significant delay in correction in debt/EBITDA ratio and gearing will remain a key rating sensitivity factor. Also, project debt of Rs 5500 crore is expected to be refinanced through longer tenor debt at a lower interest rate, which will help improve debt coverage parameters.

#### Outlook: Stable

CRISIL believes Tata Power's business risk profile will continue to be supported by stable cash accrual from regulated businesses, over the medium term. Furthermore, robust financial flexibility, because of investments and benefits of being a part of the Tata group, is likely to enable it to fund bridge financing debt of about Rs 3,500 crore for the Welspun acquisition through equity or sale of non-core assets in the near term.

#### Upside scenario

<sup>A</sup> Substantial improvement in the operating profitability or higher-than-expected reduction in the debt leading to higher-than-expected improvement in debt/EBITDA

#### Downside scenario

<sup>A</sup> Material delay in equity infusion or sale of non-core investments to replace bridge financing debt of Rs 3500 crore

<sup>A</sup> Larger-than-expected, debt-funded capital expenditure or acquisition, or significant delay in improvement in operating profitability, leading to delay in improvement in gearing and debt/EBITDA ratio.

#### About the Company

Tata Power is India's largest integrated private power utility, with installed generation capacity of 10,577 MW (as on March 31, 2017). The company is present across the entire power business spectrum, from generation (thermal, hydro, solar, and wind) to transmission and distribution.

CGPL was formed to implement the Mundra UMPP, which has five units of 800-MW each. MPL, Tata Power's 74% joint venture with Damodar Valley Corporation, operates the Maithon project, which has two units of 525-MW each. PTL operates a 400-kilovolt transmission line from Bhutan to Delhi.

Tata Power has 30% stake in Indonesian coal mining companies PT Kaltim Prima Coal and PT Arutmin Indonesia (Arutmin), and 26% stake in PT Baramulti Suksessarana Tbk. It has signed a definitive agreement to sell 30% stake in Arutmin to the Bakrie family.

In September 2016, Tata Power and ICICI Venture partnered to launch Power Platform along with global investors. The platform will target operating and near operating thermal/hydro/transmission assets, and has a joint commitment of up to USD 850 million by Tata Power, ICICI Bank, Caisse de depot et placement du Quebec, Canada, Kuwait Investment Authority, Kuwait and State General Reserve Fund of the Sultanate of Oman.

For fiscal 2016, Tata Power, on a consolidated basis, had a net profit of Rs 1067 crore on total income of Rs 37,480 crore, against net profit of Rs 409 crore on total income of Rs 33,727 crore for the previous fiscal. For first nine months of fiscal 2017, Tata Power had a net profit of Rs 1008 crore on total income of Rs 20,731 crore, against a net profit of Rs 641 crore on total income of Rs 22,203 crore over the corresponding period of the previous fiscal.

Any other information: Not applicable

#### Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

#### Annexure - Details of Instrument(s)

ISIN	Type of instrument	Date of allotment	Coupon	Maturity date	Issue Size (Rs cr)	Rating Assigned with Outlook
INE245A08034	Perpetual NCD	2-Jun-11	11.40%	Perpetual	1500	CRISIL AA-/Stable
INE245A08042	Subordinate NCD	21-Aug-12	10.75%	21-Aug-72	1500	CRISIL AA-/Stable
INE245A07176	NCD <sup>A</sup>	23-Jul-14	9.15%	23-Jul-16	25	CRISIL AA-/Stable
INE245A07184	NCD	23-Jul-14	9.15%	23-Jul-17	25	CRISIL AA-/Stable
INE245A07192	NCD	23-Jul-14	9.15%	23-Jul-18	25	CRISIL AA-/Stable
INE245A07200	NCD	23-Jul-14	9.15%	23-Jul-19	25	CRISIL AA-/Stable
INE245A07218	NCD	23-Jul-14	9.15%	23-Jul-20	25	CRISIL AA-/Stable
INE245A07226	NCD	23-Jul-14	9.15%	23-Jul-21	20	CRISIL AA-/Stable
INE245A07234	NCD	23-Jul-14	9.15%	23-Jul-22	20	CRISIL AA-/Stable
INE245A07242	NCD	23-Jul-14	9.15%	23-Jul-23	20	CRISIL AA-/Stable
INE245A07259	NCD	23-Jul-14	9.15%	23-Jul-24	20	CRISIL AA-/Stable
INE245A07267	NCD	23-Jul-14	9.15%	23-Jul-25	20	CRISIL AA-/Stable
INE245A07325	NCD <sup>A</sup>	17-Sep-14	9.15%	17-Sep-16	16	CRISIL AA-/Stable
INE245A07333	NCD	17-Sep-14	9.15%	17-Sep-17	16	CRISIL AA-/Stable
INE245A07341	NCD	17-Sep-14	9.15%	17-Sep-18	16	CRISIL AA-/Stable
INE245A07358	NCD	17-Sep-14	9.15%	17-Sep-19	16	CRISIL AA-/Stable
INE245A07366	NCD	17-Sep-14	9.15%	17-Sep-20	16	CRISIL AA-/Stable
INE245A07374	NCD	17-Sep-14	9.15%	17-Sep-21	16	CRISIL AA-/Stable

INE245A07382	NCD	17-Sep-14	9.15%	17-Sep-22	16	CRISIL AA-/Stable
INF245A07390	NCD	17-Sep-14	9.15%	17-Sep-23	16	CRISIL AA-/Stable
INE245A07408	NCD	17-Sep-14	9.15%	17-Sep-24	16	CRISIL AA-/Stable
INE245A07416	NCD	17-Sep-14	9.15%	17-Sep-25	26	CRISIL AA-/Stable
INE245A07101	NCD	25-Apr-08	10.10%	25-Apr-18	500	CRISIL AA-/Stable
INE245A07119	NCD	20-Jun-08	10.40%	20-Jun-18	500	CRISIL AA-/Stable
INE245A07424	NCD	28-Dec-12	9.40%	28-Dec-22	210	CRISIL AA-/Stable
NA	Short-term debt	NA	NA	7-365 days	500	CRISIL A1+
NA	Cash credit and working capital demand loan	NA	NA	NA	2,800	CRISIL AA-/Stable
NA	Letter of credit and bank guarantee	NA	NA	NA	4,370	CRISIL A1+
NA	Term loan-1	NA	NA	15-Jun-20	57.02	CRISIL AA-/Stable
NA	Term loan-2	NA	NA	16-Feb-29	1207.25	CRISIL AA-/Stable
NA	Term loan-3	NA	NA	30-Sept-25	280	CRISIL AA-/Stable
NA	Term loan-4	NA	NA	NA	109	CRISIL AA-/Stable
NA	Term loan-5	NA	NA	30-Mar-28	521.88	CRISIL AA-/Stable
NA	Term loan-6	NA	NA	30-Mar-26	2000	CRISIL AA-/Stable
NA	Term loan-7	NA	NA	8-Aug-18	605	CRISIL AA-/Stable
NA	Rupee term loan-1	NA	NA	31-Dec-24	336.65	CRISIL AA-/Stable
NA	Rupee term loan-2	NA	NA	18-Feb-29	1170.90	CRISIL AA-/Stable
NA	Proposed cash credit	NA	NA	NA	347.65	CRISIL AA-/Stable

\*CRISIL is awaiting independent confirmation of redemption before withdrawing ratings on these instruments

#### Annexure - Rating History for last 3 Years

Instrument	Type	Current		2017 (History)		2016		2015		2014		Start of 2014
		Quantum	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Non Convertible Debentures	LT	1605	CRISIL AA-/Stable		No Rating Change	18-07-16	CRISIL AA-/Stable		No Rating Change	31-03-14	CRISIL AA-/Stable	CRISIL AA-/Negative
						15-06-16	CRISIL AA-/Watch Developing					
Perpetual Non Convertible Debentures	LT	1500	CRISIL AA-/Stable		No Rating Change	18-07-16	CRISIL AA-/Stable		No Rating Change	31-03-14	CRISIL AA-/Stable	CRISIL AA-/Negative
						15-06-16	CRISIL AA-/Watch Developing					
Short Term Debt	ST	500	CRISIL A1+		No Rating Change	18-07-16	CRISIL A1+		No Rating Change		No Rating Change	CRISIL A1+
						28-06-16	CRISIL A1+/Watch Developing					
Subordinated Non-Convertible Debentures	LT	1500	CRISIL AA-/Stable		No Rating Change	18-07-16	CRISIL AA-/Stable		No Rating Change	31-03-14	CRISIL AA-/Stable	CRISIL AA-/Negative
						15-06-16	CRISIL AA-/Watch Developing					
Fund-based Bank Facilities	LT/ST	9435.35	CRISIL AA-/Stable		No Rating Change	18-07-16	CRISIL AA-/Stable		No Rating Change	31-03-14	CRISIL AA-/Stable	CRISIL AA-/Negative
						15-06-16	CRISIL AA-/Watch Developing					
Non Fund-based Bank Facilities	LT/ST	4370	CRISIL A1+		No Rating Change	18-07-16	CRISIL A1+		No Rating Change		No Rating Change	CRISIL A1+
						28-06-16	CRISIL A1+/Watch Developing					

Table reflects instances where rating is changed or freshly assigned. 'No Rating Change' implies that there was no rating change under the release.

#### Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit & Working Capital demand loan	2800	CRISIL AA-/Stable	Cash Credit & Working Capital demand loan	2800	CRISIL AA-/Stable
Letter of credit & Bank Guarantee	4370	CRISIL A1+	Letter of credit & Bank Guarantee	3380	CRISIL A1+
Proposed Cash Credit Limit	347.65	CRISIL AA-/Stable	Proposed Cash Credit Limit	468.24	CRISIL AA-/Stable
Rupee Term Loan	1507.55	CRISIL AA-/Stable	Rupee Term Loan	1417.28	CRISIL AA-/Stable
Term Loan	4780.15	CRISIL AA-/Stable	Term Loan	2239.83	CRISIL AA-/Stable
<b>Total</b>	<b>13805.35</b>	<b>--</b>	<b>Total</b>	<b>10305.35</b>	<b>--</b>

Links to related criteria

CRISILs Approach to Financial Ratios
CRISILs Bank Loan Ratings – process, scale and default recognition
Rating Criteria for Power Distribution Utilities
Rating criteria for manufacturing and service sector companies
CRISILs Criteria for Consolidation
CRISILs criteria for rating and capital treatment of corporate sector hybrid instruments
Criteria for rating Short-Term Debt (including Commercial Paper)

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CRISIL has revised its rating symbols and definitions with effect from July 11, 2011, to comply with the SEBI circular, 'Standardisation of Rating Symbols and Definitions'. The revised rating symbols carry the prefix, 'CRISIL'. The rating symbols for short-term instruments have been revised to 'CRISIL A1', 'CRISIL A2', 'CRISIL A3', 'CRISIL A4', and 'CRISIL D' from the earlier 'P1', 'P2', 'P3', 'P4', and 'P5', respectively. The revision in the rating symbols and definitions is not to be construed as a change in the ratings. For details on revised rating symbols and definitions, please refer to the document, 'Revision of Rating Symbols and Definitions', at the link, <http://www.crisil.com/ratings/credit-rating-scale.html>



ICRA

June 06, 2017

## The Tata Power Company Limited

Instrument*	Rated Amount (in crore)	Rating Action
Non-Convertible Debenture	Rs. 6,600 crore	[ICRA]AA- (Stable); downgraded from [ICRA]AA (Negative)
Short Term Debt / CP Programme	Rs. 3,000 crore	[ICRA]A1+ reaffirmed
Term Loans	Rs. 1,340 crore	[ICRA]AA- (Stable) downgraded and withdrawn

\*Instrument Details are provided in Annexure-I

### Rating Action

ICRA has downgraded the long-term rating from [ICRA]AA (pronounced ICRA double A) to [ICRA]AA- (pronounced ICRA double A minus) outstanding on the Rs. 6,600 crore<sup>1</sup> non-convertible debenture programmes of The Tata Power Company Limited (Tata Power)<sup>2</sup>. The outlook on the long-term rating has been revised from Negative to Stable. ICRA has also reaffirmed the short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) outstanding on the Rs. 3,000 crore commercial paper/short term debt programme of Tata Power. ICRA has also downgraded the long-term rating to [ICRA]AA- (Stable) outstanding on the Rs. 1,340 crore term loans of Tata Power, and withdrawn the rating as there is no amount outstanding against the same.

### Rationale

The revision in the long-term rating takes into account the disallowance of any relief to Mundra UMPP under "Force Majeure" or "Change in Law" clauses as per the judgement of the Honourable Supreme Court in April 2017. The absence of any compensatory tariff for Mundra UMPP places significant burden on Tata Power to continue supporting the project's financial obligations since Tata Power has provided Debt Service Reserve Guarantee for the term debt of Mundra UMPP. The project remains loss-making owing to the under-recovery in fuel costs, though the same varies depending on the international coal prices. ICRA notes that the financial support required by Mundra UMPP from Tata Power remains sizeable at the current coal price levels, which would be partly met by the cash flows available to Tata Power from its 30% stake in the Indonesian mining assets. Mundra UMPP also remains exposed to the risk of shortfall in recovery of fixed costs given the large portion of foreign currency debt which has been impacted by the sharp depreciation of Indian Rupee from bid assumption levels; the company, however, currently hedges its forex obligations for a five-year period to mitigate any further forex risks.

The ratings are supported by the favourable financial profile of Tata Power on a standalone basis, which is aided by the stable cash flows generated from the company's operations in the Mumbai License Area arising from the cost-plus rate of return model and superior operational efficiency. The ratings also factor in the strong financial flexibility arising from the company's association with the Tata Group. ICRA further considers the comfortable liquidity profile of the company, characterised by largely unutilised working capital fund-based limits and its ability to raise adequate funds in a timely manner through equity and debt instruments as seen in the past. However, the company's standalone financial profile would witness deterioration to some extent owing to the continuing support to Mundra UMPP.

<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup> For complete rating scale and definitions, please refer ICRA's website ([www.icra.in](http://www.icra.in)) or other ICRA Rating Publications



The ratings are constrained by the sizeable financial support extended by Tata Power to Mundra UMPP beyond its equity commitment and the additional cash outflow of about Rs. 800 crore towards the end of FY2017 to meet its share of the Tata Group's liabilities to purchase the shares of Tata Teleservices Limited (TTL), post exercise of the put option by NTT Docomo. The ratings also factor in the delays in the receipt of proceeds pertaining to the sale of stake in one of the Indonesian mining companies - PT Arutmin – and the downward revision in its valuation in November 2016. The refinancing requirements of Tata Power remain high over the medium term, given the sizeable debt obligations on standalone basis and of its Coal SPVs (entirely backed by a corporate guarantee from Tata Power), although ICRA takes comfort from the past track record of the company in meeting its refinancing needs.

ICRA notes the increase in the borrowings of Tata Power following the acquisition of Welspun Renewable Energy Private Limited (WREPL) in FY2017, which was largely debt funded. Tata Power had issued NCDs to the tune of Rs. 3,500 crore in August 2016 to meet its financing requirements for the acquisition with a plan to refinance the same with equity funds / accruals within the next 18-month period. Thus, the refinancing of the NCDs within the previously envisaged timelines would remain important from a credit perspective.

#### **Key rating drivers**

##### **Credit Strengths**

- Stable cash flows from license business, characterised by stable demand growth and favourable cost-plus rate of return model
- Healthy scale of operations with regular capacity expansions
  - Acquisition of WREPL in September 2016 makes Tata Power one of the leading domestic companies in the renewable energy space
- Limited fuel supply risks given the in-place Fuel Supply Agreements (FSA) with subsidiaries of Coal India Limited and significant investments made in Indonesian mining assets
- Favourable financial profile on a standalone basis, characterised by comfortable capital structure and liquidity profile
  - Nonetheless, continued support to Mundra UMPP has deteriorated the company's return indicators
- Strong financial flexibility arising from being a part of the Tata Group

##### **Credit Weaknesses**

- With the disallowance of any compensatory tariff by the Honourable Supreme Court, Tata Power would have to continue supporting the loss-making operations of Mundra UMPP
  - Tata Power has provided a Debt Service Reserve Guarantee for the loan facility of Mundra UMPP
  - Tata Power would have to explore other measures to reduce the under-recovery in the operations of Mundra UMPP
- Exposure of Mundra UMPP to risk of shortfall in recovery of fixed costs, given the large portion of foreign currency debt, which has been impacted by the sharp depreciation of the Indian Rupee from bid assumption levels
  - However, the company has availed hedge contracts to protect itself against currency fluctuation risk on a rolling 5-year period
- Profitability from coal business impacted since FY2013 owing to sharp reduction in international coal prices, although a spike in Q3 FY2017 has led to increase in profits
  - Proceeds from stake sale in one of the Indonesian mines, PT Arutmin, yet to be received with the valuation revised downwards in November 2016
- Large refinancing requirements, given sizeable debt repayments falling due for Tata Power (including the debt raised for the acquisition of WREPL) and Coal SPVs (guaranteed by Tata Power) over the near to medium term

**Description of key rating drivers:**

The standalone business of Tata Power largely constitutes its operations in the Mumbai License Area where the cash flows are stable owing to the cost-plus nature of the business model that allows the company to avail fixed Return on Equity (RoE) subject to keeping its costs within the allowed levels. The multi-year tariff order for the period from FY2017 to FY2019 as directed by the Maharashtra Electricity Regulatory Commission (MERC) is in place for the generation, distribution and transmission businesses of Tata Power. In addition to the regulated returns, the company also earns efficiency gains for operating the stations at better than normative operating parameters and PLF-linked incentives for generation above normative levels.

On a consolidated basis, the company's scale of operations significantly increased with the successful commissioning of its two large projects - the 4,000 MW Mundra UMPP (COD<sup>3</sup> of March 2013) and the 1,050 MW Maithon Project (COD of July 2012). As the tariff for Mundra UMPP is 'competitively bid' in nature, the risk profile for the project is higher than that of the operations in Tata Power's License Area. The project has been loss-making since commissioning owing to the under-recovery in fuel costs. While Tata Power had sought relief for the project in the form of compensatory tariff, the Honourable Supreme Court, in its judgement issued in April 2017, disallowed any relief to the project under "Force Majeure" and "Change in Law" clauses. Tata Power would now be exploring various options so as to reduce the under-recovery in Mundra UMPP, including higher operational efficiencies, sourcing of lower cost coal, blending of lower CV coal with higher CV coal, etc. Tata Power, however, is able to partly meet the financing support to Mundra UMPP through the cash flows available from the Indonesian coal operating companies (wherein Tata Power holds 30% equity stake through offshore SPVs). Owing to the increase in coal prices during H2 FY2017, the dividend inflows to Tata Power also improved in the year but still remain lower than the quantum of dividends seen four to five years back.

On a standalone basis, Tata Power's financial profile remains robust supported by the cost-plus-based PPA structures. In Q4 FY2017, the company reported an exceptional loss of Rs. 651 crore which was the difference between the fair value of equity shares of TTTL and the contractual obligation to NIT Docomo from whom Tata Power had to buyback the shares. The overall net profits thus appear low for FY2017, though the cash accruals (excluding the exceptional loss) from the overall business continue to remain healthy. The return indicators on standalone basis have, however, been impacted by the increasing financial support to Mundra UMPP.

The borrowings of Tata Power increased in FY2017 following the acquisition of WREPL for which the company raised Rs. 3,500 crore through issue of NCDs. The gearing has thus increased to 1.1 times<sup>4</sup> as on March 31, 2017 compared to 0.7 time as on March 31, 2016. The capital structure on a consolidated basis, however, remains adverse (gearing of 3.4 times as on March 31, 2017) owing to the large-scale power projects undertaken, the debt-funded acquisition of WREPL and the impact of past losses on the net worth of the company, including the provisions made for impairment losses. Tata Power has provided corporate guarantee on the loans raised by its Coal SPVs (principal amount of US\$830 million and the interest payments) and sponsor support for debt servicing of term loans of Mundra UMPP, apart from guarantees given for loans raised by other subsidiaries / group entities (of about Rs. 2,500 crore as on March 31, 2016). The liquidity profile of Tata Power continues to remain robust supported by the largely unutilised working capital fund based facilities and healthy cash balances and liquid investments. The company's refinancing requirements in the near term remain high, though ICRA takes comfort from the company's past track record of successfully refinancing its loans in a timely manner.

<sup>3</sup> COD: Commercial Operation Date

<sup>4</sup> 50% equity credit has been assigned to perpetual debentures of Rs. 1,500 crore raised by Tata Power in June 2011



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**Analytical approach:** For arriving at the ratings, ICRA has taken into account the business risk profile of Tata Power and the financial risk drivers.

**Links to applicable Criteria**

Corporate Credit Ratings – A Note on Methodology

Independent Power Producers (IPPs) and Power Generation Projects

Power Distribution Utilities

**About the Company:**

The Tata Power Company Limited (Tata Power), a Tata Group company, is involved in the generation, distribution and transmission of power. It has a license for bulk supply of electricity in the city of Mumbai. Tata Power Group currently has a total generation capacity of 10,613 MW on its own books as well as its subsidiaries. Of the same, 2,027 MW capacity is utilised to meet the power demands of the License Area in Mumbai. The company supplies power to Bombay Electric Supply & Transport Undertaking (BEST). Besides, it also supplies to the Railways and other industrial and High-Tension (HT) consumers in Mumbai, apart from direct sales to retail consumers in the License Area.

Tata Power operates the 4,000 MW capacity as part of its Ultra Mega Power Project (UMPP) at Mundra (project commissioned in March 2013), and the 1,050 MW capacity in Maithon (project commissioned in July 2012) through Special Purpose Vehicles (SPVs). The company also acquired 30% stake in coal mining companies (KPC and Arutmin, based in Indonesia) in March 2007, and a 26% stake in PT Baramulti Suksessarana Tbk (BSSR), Indonesia, in November 2012, through offshore SPVs (“Coal SPVs”). In January 2014, the company announced it had signed an agreement for sale of its stake in PT Arutmin Indonesia. Tata Power has been enhancing its clean energy portfolio (comprising of hydro, waste gas, solar and wind), which currently stands at 3,141 MW, following the acquisition of Welspun Renewables Energy Private Limited (WREPL) in September 2016. Tata Power Group is also involved in power distribution in Mumbai and Delhi. It has recently entered into a distribution franchisee agreement for electricity distribution in Ajmer. Furthermore, the company has a presence in power transmission in Mumbai with over 1,110 Ckm (circuit km) of transmission lines. It is also involved in power transmission in other regions through a subsidiary, Powerlinks Transmission Limited, which commenced operations from September 2006.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable



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Rating history for last three years:

Table:

S. No.	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years				
		Type	Rated amount (Rs. Crore)	Month - year & rating	Month - year & Rating in FY2017		Month - year & Rating in FY2016	Month - year & Rating in FY2015	
1	Non-Convertible Debenture	Long term	6,600	June 2017	August 2016	May 2016	April 2015	November 2014	April 2014
				[ICRA]AA-(Stable)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)
2	Term Loans	Long term	1,340	[ICRA]AA-(Stable)/Withdrawn	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)
3	Short Term Debt / CP Programme	Short term	3,000	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

**Complexity level of the rated instrument:**

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)



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Annexure-I

Details of Instrument

Name of the instrument	Date of issuance	Coupon rate	Maturity Date	Size of the issue (Rs. Cr)	Current Rating and Outlook
Non-Convertible Debenture	April 2008	10.1%-10.4%	June 2018	1,000	[ICRA]AA- (Stable)
Non-Convertible Debenture	July 2010	9.15%	September 2025	600	[ICRA]AA- (Stable)
Non-Convertible Debenture	November 2014	9.32%-9.48%	November 2019	1,500	[ICRA]AA- (Stable)
Non-Convertible Debenture	August 2016	7.7%	August 2019	3,500	[ICRA]AA- (Stable)
Short Term Debt / CP Programme	April – June 2017	~6.5%	June – August 2017	3,000	[ICRA]A1+
Term Loans	FY2015	--	FY2017	1,340	Withdrawn

Source: Tata Power

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# TATA POWER

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Website: www.tatapower.com  
CIN No. : L28920MH1919PLC000567

## STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017

Particulars (Refer Notes Below)	Quarter ended			Year ended
	30-Jun-17 (Unaudited)	31-Mar-17 (Refer Note 8)	30-Jun-16 (Unaudited)	31-Mar-17 (Audited)
	(₹ in crore)			
1. Income				
i) Revenue from Operations	6,968.62	7,166.79	6,838.30	27,897.72
ii) Other Income	31.28	226.16	(47.72)	202.22
Total Income	6,999.90	7,392.95	6,790.58	28,099.94
2. Expenses				
i) Cost of power purchased	1,895.39	1,765.95	2,297.99	8,218.99
ii) Cost of fuel	2,125.82	2,515.37	1,776.88	8,692.39
iii) Raw material consumed	95.85	378.70	159.09	1,009.67
iv) Purchase of finished goods, spares and shares	4.99	9.61	6.74	26.40
v) Transmission charges	70.38	57.13	56.70	224.13
vi) Cost of components consumed	57.67	163.71	62.94	349.98
vii) (Increase)/Decrease in stock-in-trade and work-in-progress	(9.33)	3.35	25.72	28.34
viii) Employee benefits expense	333.52	381.92	311.57	1,295.94
ix) Finance costs	928.61	897.30	791.45	3,113.97
x) Depreciation and Amortisation expenses	585.68	569.84	439.31	1,988.59
xi) Other expenses	563.19	544.34	505.17	2,205.18
Total Expenses	6,651.77	7,287.22	6,433.56	27,153.58
3. Profit before Rate Regulated Activities, Exceptional Items, Tax and Share of Profit of Associates and Joint Ventures accounted for using the Equity Method (1-2)	348.13	105.73	357.02	946.36
4. Add/(Less): Regulatory expense (net)	(243.75)	(183.20)	(272.12)	(686.46)
Add/(Less): Regulatory income (net) in respect of earlier years	-	-	-	77.00
5. Profit/(Loss) before Exceptional Items, Tax and Share of Profit of Associates and Joint Ventures accounted for using the Equity Method (3+4)	104.38	(77.47)	84.90	336.90
6. Less: Exceptional Items				
Loss towards contractual obligations (Refer Note 5(b))	-	(651.45)	-	(651.45)
7. Net Profit/(Loss) before Tax and Share of Profit of Associates and Joint Ventures accounted for using the Equity Method (5-6)	104.38	(728.92)	84.90	(314.55)
8. Tax Expense				
Current Tax	227.81	123.93	133.73	609.37
Deferred Tax	35.20	(273.51)	11.12	(655.19)
9. Net (Loss)/Profit for the Period/Year before Share of Profit of Associates and Joint Ventures accounted for using the Equity Method (7-8)	(158.63)	(579.34)	(59.95)	(268.73)
10. Share of Profit of Associates and Joint Ventures accounted for using the Equity Method	379.50	332.44	191.18	1,217.29
11. Net Profit/(Loss) for the Period/Year (9+10)	220.87	(246.90)	131.23	948.56
12. Other Comprehensive Income/(Expenses) (Net of Tax)	(13.59)	17.49	65.16	(132.72)
13. Total Comprehensive Income (11+12)	207.28	(229.41)	196.39	815.84
Profit/(Loss) for the Period/Year attributable to:				
Owners of the Company	163.78	(262.45)	72.49	745.48
Non-controlling Interests	57.09	15.55	58.74	203.08
Others Comprehensive Income/(Expenses) attributable to:				
Owners of the Company	(13.03)	16.83	65.14	(132.13)
Non-controlling Interests	(0.56)	0.66	0.02	(0.59)
Total Comprehensive Income attributable to:				
Owners of the Company	150.75	(245.62)	137.63	613.35
Non-controlling Interests	56.53	16.21	58.76	202.49
14. Paid-up equity share capital (Face Value: ₹ 1/- per share)	270.50	270.50	270.48	270.50
15. Total Reserves #				11,508.97
16. Earnings per Equity Share (of ₹ 1/- each) (not annualised for quarters)				
Basic: (In ₹)	0.50	(1.07)	0.17	2.34
Diluted: (In ₹)	0.50	(1.07)	0.17	2.34

# Includes fair value adjustment on adoption of Ind AS on transition date and thereafter.

# TATA POWER

The Tata Power Company Limited  
Bombay House, 24 Homi Mody Street, Mumbai 400 001  
Website: www.tatapower.com  
CIN No. : L28920MH1919PLC000567

## CONSOLIDATED SEGMENT INFORMATION

₹ crore

Particulars (Refer Notes Below)	Quarter ended			Year ended
	30-Jun-17 (Unaudited)	31-Mar-17 (Refer Note 8)	30-Jun-16 (Unaudited)	31-Mar-17 (Audited)
Segment Revenue				
Power Business	6,344.17	5,975.13	6,164.88	24,879.40
Others	1,041.03	1,471.36	415.55	3,205.88
Total Segment Revenue	7,385.20	7,446.49	6,580.43	28,085.28
Less: Inter Segment Revenue	660.33	462.90	14.25	797.02
<b>Revenue/Income from Operations (including Regulatory Income/(Expenses))</b>	<b>6,724.87</b>	<b>6,983.59</b>	<b>6,566.18</b>	<b>27,288.26</b>
Segment Results				
Power Business	1,000.90	421.53	941.58	3,158.22
Others	31.14	213.83	3.06	308.96
Total Segment Results	1,032.04	635.36	944.64	3,467.18
Less: Finance Costs	(928.61)	(897.30)	(791.45)	(3,113.97)
Less: Exceptional Item - Unallocable Expense	-	(651.45)	-	(651.45)
(Less) / Add: Unallocable Income/(Expenses) (Net)	0.95	184.47	(68.29)	(16.31)
<b>Profit / (Loss) Before Tax</b>	<b>104.38</b>	<b>(728.92)</b>	<b>84.90</b>	<b>(314.55)</b>
Segment Assets				
Power Business	63,490.85	62,266.42	51,238.57	62,266.42
Others	4,063.53	4,116.79	3,131.05	4,116.79
Unallocable	15,008.51	15,753.14	14,891.32	15,753.14
<b>Total Assets</b>	<b>82,562.89</b>	<b>82,136.35</b>	<b>69,260.94</b>	<b>82,136.35</b>
Segment Liabilities				
Power Business	12,689.25	12,700.73	9,624.02	12,700.73
Others	1,662.15	1,465.82	967.63	1,465.82
Unallocable	52,928.51	52,821.34	43,873.73	52,821.34
<b>Total Liabilities</b>	<b>67,279.91</b>	<b>66,987.89</b>	<b>54,465.38</b>	<b>66,987.89</b>

Types of products and services in each business segment:

- Power - Generation, Transmission, Distribution and Trading of Power and related activities.
- Others - Defence Electronics, Solar Equipment, Project Contracts / Infrastructure Management Services, Investment and Property Development.

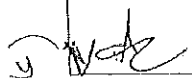
## NOTES TO THE CONSOLIDATED FINANCIAL RESULTS - Q1 FY18

1. The above Consolidated financial results of The Tata Power Company Limited (the Company) were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th August, 2017.
2. The Supreme Court had stayed the Appellate Tribunal for Electricity (ATE) Order in respect of the Standby Charges dispute between the Company and Reliance Infrastructure Ltd. (R-Infra). ATE had directed the Company to refund to R-Infra, as at 31st March, 2004, ₹ 354 crore (including interest thereon). The accumulated interest as at 30th June, 2017 is ₹ 232.36 crore. The Company has furnished a bank guarantee of ₹ 227 crore and also deposited ₹ 227 crore with the Registrar General of Supreme Court as per its Order. Further, no adjustment for reversal of Standby Charges credited, in previous years and estimated at ₹ 519 crore has been made after the Supreme Court stayed the ATE Order.  

The Company is of the view, supported by legal opinion, that the ATE's Order can be successfully challenged. Hence, adjustments, if any, will be recorded by the Company based on the final outcome of the matter.
3. The Company had received demands from sales tax department in Maharashtra for entry tax on imports, aggregating to ₹ 2,213.64 crore (including interest of ₹ 643.99 crore and penalty of ₹ 740.89 crore) for financial years 2005-06 to 2012-13. The Company paid under protest and accounted ₹ 246.21 crore as an expense. The Bombay High Court upheld the levy on an appeal filed by the Company. The Company filed a Special Leave Petition against the above Order before the Supreme Court. The Company is of the view, supported by legal opinions, that it has a strong case on merits. Accordingly, ₹ 1,967.43 crore (including interest of ₹ 643.99 crore and penalty of ₹ 740.89 crore) will be accounted by the Company based on the final outcome of the matter.
4. (a) The Group regularly reviews and reassesses the recoverability of the carrying amount of its assets at Mundra. In view of the estimation uncertainties in determining the future cash flows, the assumptions will continue to be monitored on a periodic basis by the Management and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.  
(b) During the quarter ended 30th June, 2017, the management of CGPL has approached the procuring states to arrive at alternative solutions to minimise operating losses at CGPL, which includes the offer of 51% shareholding in CGPL at a nominal value to procurers subject to grant of compensatory tariff to CGPL for the entire period of PPA.  

Impact of the above options on the financial results for the quarter ended 30th June, 2017 is currently not determinable considering these options are still at an exploratory stage with various stakeholders.
5. (a) The Company has investments in equity shares of Tata Teleservices Limited (TTSL) which are measured at fair value through other comprehensive income. The Company had assessed the fair value of its investment in TTSL as at 30th September, 2016. In the absence of updated information, it has not been possible to revise the valuation subsequent to the period ended 30th September, 2016 and consequently adjustments, if any, to the carrying value of investments in TTSL of ₹ 384.88 crore as at 30th June, 2017 have not been made.  
(b) In an earlier year, DoCoMo had filed a petition before the Delhi High Court for implementation of the Arbitration Award related to its exercise of the 'put option' to the transfer of its entire shareholding in TTSL at a minimum predetermined price of ₹ 58.045 per share pursuant to which the Delhi High Court directed Tata Sons (as representative of the Tata Group) to deposit the damages including costs and interest in an escrow account. Accordingly, the Company deposited ₹ 790 crore with Tata Sons, being its share of the contractual obligation. On 28th April, 2017, the Delhi High Court ruled that the Arbitration Award is enforceable in India. Consequently, the Company had as at 31st March, 2017 written-off 'other advances' of ₹ 651.45 crore, being the difference between the fair value of equity shares of TTSL determined as at 30th September, 2016 and the consideration payable to DoCoMo deposited with Tata Sons. The balance of ₹ 138.55 crore, which represents the fair value of shares receivable from DoCoMo based on a valuation as at 30th September, 2016, is being carried forward as Other Advance and included in Other Non-current Financial Asset.  

The Statutory auditor's report contains a qualification in respect of Note 5 (a) and (b) above.
6. Tata Power Delhi Distribution Limited (TPDDL) [Group's share being 51%], has not made any adjustment to the carrying amount of regulatory deferral asset of ₹ 619.87 crore (net of provision of ₹ 333.53 crore) from its Rithala Plant based on the appeal filed by it against the Order of the Delhi Electricity Regulatory Commission (DERC) and supported by a legal opinion that the Order can be successfully challenged. The adjustment, including any consequent impact, if any, will be recorded on the final outcome of the matter.
7. The Company, through its wholly owned subsidiaries, has entered into agreements for sale of shares in PT Arutmin Indonesia and its associated infrastructure and trading companies for a total deferred consideration of USD 400.92 million. Pending requisite consents and certain approvals, the above transaction has not been concluded. These investments are disclosed as held for sale.

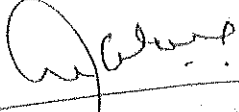


8. Figures for the preceding three months ended 31st March, 2017 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2017 and the year to date figures upto the third quarter of the financial year.
9. Financial Information of the standalone audited financial results of the Company are as follows: ₹ crore

Particulars	Quarter ended			Year ended
	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
Revenue from operations	1,926.59	1,890.49	1,873.82	7,218.06
Profit before rate regulated activities, exceptional items and tax	288.30	94.22	334.52	1,093.58
Profit before exceptional items and tax	277.30	154.22	214.52	1,157.58
Profit/(Loss) before tax	277.30	(497.23)	214.52	506.13
Profit/(Loss) after tax	188.24	(593.42)	146.91	283.45
Other Comprehensive Income / (Expenses) net of tax	(2.48)	20.43	5.24	(121.20)
Total Comprehensive Income	185.76	(572.99)	152.15	162.25
Paid-up equity share capital (Face Value: ₹ 1/- per share)	270.50	270.50	270.48	270.50

10. The standalone audited financial results of the Company are available for Investors at [www.tatapower.com](http://www.tatapower.com), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

For and on behalf of the Board of  
THE TATA POWER COMPANY LIMITED

  
ANIL SARDANA  
CEO & Managing Director

Date: 14th August, 2017.



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
THE TATA POWER COMPANY LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **THE TATA POWER COMPANY LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the profit/(loss) of its joint ventures and associates for the Quarter ended June 30, 2017 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the subsidiaries, joint ventures and associates as given in the Annexure to this report.

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4. As described in Note 5 to the Statement, the fair value of unquoted equity shares of Tata Teleservices Limited (TTSL) has not been determined as at June 30, 2017. We are, therefore, unable to comment on whether the carrying value of:

- a) Investments in TTSL of Rs. 384.88 crores represents the fair value of such investments as at June 30, 2017 and the consequent impact thereof on Other Comprehensive Income, and
- b) 'Other advance', which represent TTSL shares receivable from DoCoMo under a contractual obligation of Rs. 138.55 crores as at June 30, 2017 represents the fair value of such shares and the consequent impact thereof on the Net Profit for the period.

These matters were also qualified in our report on the financial results for the quarter and year ended March 31, 2017.

5. Based on our review conducted as stated above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below and except for the possible effects of the matters described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to the following matters:

- a) Note 2 to the Statement, which describes uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. Pending outcome of the Appeal filed before the Hon'ble Supreme Court, no adjustment has been made by the Group in respect of the standby charges estimated at Rs. 519 crores accounted for as revenue in earlier periods and its consequential effects for the period upto June 30, 2017. The impact of the same on the results for the quarter ended June 30, 2017 cannot presently be determined pending the ultimate outcome of the matter. Since the Group is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged, adjustment, if any, will be recorded by the Group based on final outcome of the matter.

4

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- b) Note 3 to the Statement in respect of entry tax matter, estimated at Rs. 1,967.43 crores (including interest of Rs. 643.99 crores and penalty of Rs. 740.89 crores), has been decided by the Hon'ble Bombay High Court against the Group. The Group is of the view, supported by legal opinions, that it has a strong case on merits and has appealed the matter before the Hon'ble Supreme Court. Adjustments, if any, will be recorded by the Group based on final outcome of the matter.
- c) Note 4 to the Statement, which describes the uncertainties in estimation as at June 30, 2017 relating to the determination of the carrying amount of assets at Mundra.
- d) Note 6 to the Statement, related of regulatory deferral account balance of Rs. 619.87 crores in respect of Rithala Plant as at June 30, 2017. Since the Group is of the view, supported by legal opinion, that the Order of the Delhi Electricity Regulatory Commission (DERC) can be successfully challenged, no adjustment are considered necessary.

Our report is not modified in respect of these matters.

- 7. We did not review the interim financial statements / financial information of 8 subsidiaries included in the consolidated unaudited financial results, whose interim financial statements / financial information reflect total revenues of Rs. 2,107.11 crores for the Quarter ended June 30, 2017, and total profit after tax of Rs. 366.41 crores and Total comprehensive income of Rs. 365.57 crores for the Quarter ended June 30, 2017, as considered in the consolidated unaudited financial results.

The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 360.01 crores and Total comprehensive income of Rs. 359.94 crores for the Quarter ended June 30, 2016, as considered in the consolidated unaudited financial results, in respect of 9 joint ventures and 4 associates, whose interim financial statements / financial information have not been reviewed by us.

These interim financial statements / financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

Our report on the Statement is not modified in respect of these matters.



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8. The consolidated unaudited financial results includes the interim financial information of 9 subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs. 2.70 crores for the Quarter ended June 30, 2017 and total profit after tax of Rs. 1.00 crores and Total comprehensive income of Rs. 1.00 crores for the Quarter ended June 30, 2017, as considered in the consolidated unaudited financial results.

The consolidated unaudited financial results also includes the Group's share of loss after tax of Rs. 2.33 crores and Total comprehensive expense of Rs. 2.33 crores for the Quarter ended June 30, 2017, as considered in the consolidated unaudited financial results, in respect of 9 joint ventures, based on their interim financial information which have not been reviewed by their auditors.

According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our report on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



UDAYAN SEN  
Partner

(Membership No. 031220)

MUMBAI, August 14, 2017



Annexure to Independent Auditor's Review Report

No	Name of Entities	Country of Incorporation
<b>A Subsidiaries (Direct)</b>		
1	Chemical Terminal Trombay Limited	India
2	Af-Taab Investments Company Limited	India
3	Tata Power Solar Systems Limited	India
4	Tata Power Trading Company Limited	India
5	Nelco Limited	India
6	Maithon Power Limited	India
7	Tata Power Renewable Energy Limited	India
8	Industrial Power Utility Limited	India
9	Coastal Gujarat Power Limited	India
10	Bhira Investments Limited	Mauritius
11	Bhivpuri Investments Limited	Mauritius
12	Khopoli Investments Limited	Mauritius
13	Trust Energy Resources Pte. Limited	Singapore
14	Tata Power Delhi Distribution Limited	India
15	Tata Power Jamshedpur Distribution Limited	India
16	Tata Power International Pte. Limited	Singapore
17	Tata Ceramics Limited	India
18	TP Ajmer Distribution Limited	India
<b>B Subsidiaries (Indirect)</b>		
1	NDPL Infra Limited	India
2	PT Sumber Energi Andalan	Indonesia
3	Energy Eastern Pte. Limited	Singapore
4	Tata Power Green Energy Limited	India
5	Tatanet Services Limited	India
6	Supa Windfarms Limited	India
7	Nivade Windfarms Limited	India
8	Poolavadi Windfarms Limited	India
9	Indo Rama Renewables Jath Limited	India
10	Walwhan Renewable Energy Pvt Ltd	India
11	Clean Sustainable Solar Energy Private Limited	India
12	Dreisatz Mysolar24 Private Limited	India
13	MI Mysolar24 Private Limited	India
14	Northwest Energy Private Limited	India
15	Solarsys Renewable Energy Private Limited	India
16	Unity Power Private Limited	India
17	Viraj Renewables Energy Private Limited	India
18	Welspun Energy Jharkhand Private Limited	India
19	Welspun Energy Maharashtra Private Limited	India
20	Welspun Energy Rajasthan Private Limited	India
21	Welspun Solar AP Private Limited	India

# Deloitte Haskins & Sells LLP

22	Welspun Solar Kannada Private Limited	India
23	Welspun Solar Madhya Pradesh Private Limited	India
24	Welspun Solar Punjab Private Limited	India
25	Welspun Solar Rajasthan Private Limited	India
26	Welspun Solar Tech Private Limited	India
27	Welspun Solar UP Private Limited	India
28	Welspun Urja Gujarat Private Limited	India
29	Chirasthayee Saurya Limited	India
30	Nelco Network Products Limited	India
31	Vagarai Windfarm Limited	India
32	Welspun Urja India Limited	India

## C Joint Ventures (Direct)

1	Tubed Coal Mines Limited	India
2	Mandakini Coal Company Limited	India
3	Itezhi Tezhi Power Corporation Limited	Zambia
4	Industrial Energy Limited	India
5	Powerlinks Transmission Limited	India
6	Dugar Hydro Power Limited	India

## D Jointly Ventures (Indirect)

1	Cennergi (Pty) Ltd.	South Africa
2	PT Mitratama Perkasa	Indonesia
3	PT Arutmin Indonesia	Indonesia
4	PT Kaltim Prima Coal	Indonesia
5	IndoCoal Resources (Cayman) Limited	Cayman Islands
6	PT Indocoal Kaltim Resources	Indonesia
7	PT Indocoal Kalsel Resources	Indonesia
8	Candice Investments Pte. Ltd.	Singapore
9	PT Nusa Tambang Pratama	Indonesia
10	PT Marvel Capital Indonesia	Indonesia
11	PT Dwikarya Prima Abadi	Indonesia
12	PT Kalimantan Prima Power	Indonesia
13	PT Baramulti Sukessarana Tbk	Indonesia
14	Adjaristsqali Netherlands B.V	Netherlands
15	Khoromkheti Netherlands B.V	Netherlands
16	IndoCoal KPC Resources (Cayman) Limited	Indonesia
17	Resurgent Power Ventures Pte Ltd.	Singapore
18	LTH Milcom Pvt. Ltd.	India

# Deloitte Haskins & Sells LLP

## E Associates

1	Tata Projects Limited	India
2	Nelito Systems Limited	India
3	Panatone Finvest Limited	India
4	Dagachhu Hydro Power Corporation Limited	Bhutan
5	Tata Communications Limited	India

EA

# TATA POWER

The Tata Power Company Limited  
Bombay House, 24 Homi Mody Street, Mumbai 400 001  
Website; www.tatapower.com  
CIN No. : L28920MH1919PLC000567

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017				
Particulars	Quarter ended			Year ended
	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
	MUs	MUs	MUs	MUs
(A)				
1. Generation	3,287	2,691	3,163	12,227
2. Sales	3,431	2,862	3,370	12,544
	(₹ in crore)			
	(Audited)	(Audited)	(Audited)	(Audited)
(B)				
1. Income				
i) Revenue from Operations	1,926.59	1,890.49	1,873.82	7,218.06
ii) Other Income	191.18	155.16	107.54	913.83
<b>Total Income</b>	<b>2,117.77</b>	<b>2,045.65</b>	<b>1,981.36</b>	<b>8,131.89</b>
2. Expenses				
i) Cost of Power Purchased	146.84	126.42	160.87	466.52
ii) Cost of Fuel	660.56	539.67	598.24	2,342.83
iii) Transmission Charges	70.04	55.51	56.70	221.30
iv) Cost of Components Consumed	57.67	163.71	62.94	349.98
v) Employee Benefits Expense	164.04	190.78	162.94	660.80
vi) Finance Costs	342.65	362.41	264.25	1,295.68
vii) Depreciation and Amortisation Expenses	163.19	159.98	155.04	634.21
viii) Other Expenses	224.48	352.95	185.86	1,066.99
<b>Total Expenses</b>	<b>1,829.47</b>	<b>1,951.43</b>	<b>1,646.84</b>	<b>7,038.31</b>
3. Profit Before Rate Regulated Activities, Exceptional Items and Tax (1-2)	288.30	94.22	334.52	1,093.58
4. Add / (Less): Regulatory Income/(expense) (net)	(11.00)	60.00	(120.00)	(13.00)
4. Add / (Less): Regulatory Income/(expense) (net) in respect of earlier years	-	-	-	77.00
5. Profit Before Exceptional Items and Tax (3+4)	277.30	154.22	214.52	1,167.58
6. Less: Exceptional Items				
Loss Towards Contractual Obligation (Refer Note 5(b) below)	-	651.45	-	651.45
7. Profit/(Loss) Before Tax (5-6)	277.30	(497.23)	214.52	506.13
8. Tax Expense				
Current Tax	80.93	56.77	67.83	290.92
Deferred Tax	8.13	39.42	(0.22)	(68.24)
9. Profit/(Loss) for the Period/Year (7-8)	188.24	(593.42)	146.91	283.45
10. Other Comprehensive Income/(Expenses) (Net of Tax)	(2.48)	20.43	5.24	(121.20)
11. Total Comprehensive Income (9+10)	185.76	(572.99)	152.15	162.25
12. Paid-up Equity Share Capital (Face Value; ₹ 1/- per share)	270.50	270.50	270.48	270.50
13. Total Reserves #				14,778.06
14. Earnings Per Equity Share (of ₹1/- each) (not annualised for quarters)				
Basic: (In ₹)	0.59	(2.30)	0.44	0.63
Diluted: (In ₹)	0.59	(2.30)	0.44	0.63

\* Refer Note 6

# Includes fair value adjustment on adoption of Ind AS on transition date and thereafter.

# TATA POWER

The Tata Power Company Limited  
Bombay House, 24 Homi Mody Street, Mumbai 400 001  
Website: www.talpower.com  
CIN No. : L28920MH1919PLC000567

## STANDALONE SEGMENT INFORMATION

₹ crore

Particulars (Refer Notes Below)	Quarter ended			Year ended
	30-Jun-17 (Audited)	31-Mar-17 (Audited)	30-Jun-16 (Audited)	31-Mar-17 (Audited)
Segment Revenue				
Power Business	1,794.45	1,630.87	1,631.07	6,574.35
Others	121.14	319.62	122.75	707.71
Total Segment Revenue	1,915.59	1,950.49	1,753.82	7,282.06
(Less): Inter Segment Revenue	-	-	-	-
Revenue / Income from Operations {including Regulatory Income/(Expense)}	1,915.59	1,950.49	1,753.82	7,282.06
Segment Results				
Power Business	450.62	317.96	378.65	1,595.56
Others	(4.42)	81.30	7.31	97.59
Total Segment Results	446.20	399.26	385.96	1,693.15
(Less): Finance Costs	(342.65)	(362.41)	(264.25)	(1,295.68)
(Less): Exceptional Item - Unallocable	-	(651.45)	-	(651.45)
Add: Unallocable Income/(Expense) (Net)	173.75	117.37	92.81	760.11
Profit/(Loss) Before Tax	277.30	(497.23)	214.52	506.13
Segment Assets				
Power Business	14,137.72	14,168.67	14,788.57	14,168.67
Others	2,362.97	2,323.33	1,792.74	2,323.33
Unallocable	23,625.66	23,376.67	18,596.63	23,376.67
Total Assets	40,126.35	39,868.67	35,177.94	39,868.67
Segment Liabilities				
Power Business	4,296.17	4,338.25	4,198.75	4,338.25
Others	477.63	547.35	594.34	547.35
Unallocable	18,673.68	18,434.51	13,438.37	18,434.51
Total Liabilities	23,447.48	23,320.11	18,231.46	23,320.11

Types of products and services in each business segment:

Power - Generation, Transmission and Distribution and assets relating to Power Business given on Finance Lease.

Others - Defence Electronics and Engineering, Project Contracts / Infrastructure Management Services and Property Development.

\* Refer Note 6

5) 

## NOTES TO STANDALONE FINANCIAL RESULTS - Q1 FY18

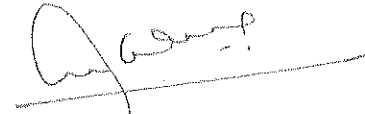
1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th August, 2017.
2. The Supreme Court had stayed the Appellate Tribunal for Electricity (ATE) Order in respect of the Standby Charges dispute between the Company and Reliance Infrastructure Ltd. (R-Infra). ATE had directed the Company to refund to R-Infra, as at 31st March, 2004, ₹ 354 crore (including interest thereon). The accumulated interest as at 30th June, 2017 is ₹ 232.36 crore. The Company has furnished a bank guarantee of ₹ 227 crore and also deposited ₹ 227 crore with the Registrar General of Supreme Court, as per its Order. Further, no adjustment for reversal of Standby Charges credited in previous years and estimated at ₹ 519 crore, has been made after the Supreme Court stayed the ATE Order.  
  
The Company is of the view, supported by legal opinion, that the ATE's Order can be successfully challenged. Hence, adjustments, if any, will be recorded by the Company based on the final outcome of the matter.
3. The Company had received demands from sales tax department in Maharashtra for entry tax on imports, aggregating to ₹ 2,213.64 crore (including interest of ₹ 643.99 crore and penalty of ₹ 740.89 crore) for financial years 2005-06 to 2012-13. The Company paid under protest and accounted ₹ 246.21 crore as an expense. The Bombay High Court upheld the levy on an appeal filed by the Company. The Company filed a Special Leave Petition against the above Order before the Supreme Court. The Company is of the view, supported by legal opinions, that it has a strong case on merits. Accordingly, ₹ 1,967.43 crore (including interest of ₹ 643.99 crore and penalty of ₹ 740.89 crore) will be accounted by the Company based on the final outcome of the matter.
4. (a) The Management of Coastal Gujarat Power Limited (CGPL), a wholly owned subsidiary, on an ongoing basis, reviews and assesses the recoverability of the carrying value of its fixed assets based on certain externally available information and assumptions relating to future fuel prices, revenues and operating parameters and useful life of the plant, which the management believes reasonably reflect the future expectation. In view of the estimation uncertainties, the future cash flows, the assumptions are monitored periodically and adjustments are made if the conditions relating to the assumption indicate that such adjustment is appropriate.  
  
Based on the assessment of recoverability of the carrying value of fixed assets as at 30th June, 2017 and having regard to the overall returns expected from CGPL, no impairment as at 30th June, 2017 is considered necessary for long-term investments of ₹ 11,369.75 crore in CGPL and no provision is required in respect of guarantees of ₹ 2,663.83 crore given to CGPL's lenders.  
  
(b) During the quarter ended 30th June, 2017, the management of CGPL has approached the procuring states to arrive at alternative solutions to minimise operating losses at CGPL, which includes the offer of 51% shareholding in CGPL at a nominal value to procurers subject to grant of compensatory tariff to CGPL for the entire period of PPA.  
  
Impact of the above options on the financial results for the quarter ended 30th June, 2017 is currently not determinable considering these options are still at an exploratory stage with various stakeholders.
5. (a) The Company has investments in equity shares of Tata Teleservices Limited (TTSL) which are measured at fair value through other comprehensive income. The Company had assessed the fair value of its investment in TTSL as at 30th September, 2016. In the absence of updated information, it has not been possible to revise the valuation subsequent to the period ended 30th September, 2016 and consequently adjustments, if any, to the carrying value of investments in TTSL of ₹ 384.88 crore as at 30th June, 2017 have not been made.  
  
(b) In an earlier year, DoCoMo had filed a petition before the Delhi High Court for implementation of the Arbitration Award related to its exercise of the 'put option' to the transfer of its entire shareholding in TTSL at a minimum predetermined price of ₹ 58.045 per share pursuant to which the Delhi High Court directed Tata Sons (as representative of the Tata Group) to deposit the damages including costs and interest in an escrow account. Accordingly, the Company deposited ₹ 790 crore with Tata Sons, being its share of the contractual obligation. On 28th April, 2017, the Delhi High Court ruled that the Arbitration Award is enforceable in India. Consequently, the Company had as at 31st March, 2017 written-off 'other advances' of ₹ 651.45 crore, being the difference between the fair value of equity shares of TTSL determined as at 30th September, 2016 and the consideration payable to DoCoMo deposited with Tata Sons. The balance of ₹ 138.55 crore, which represents the fair value of shares receivable from DoCoMo based on a valuation as at 30th September, 2016, is being carried forward as Other Advance and included in Other Non-current Financial Asset.

The Statutory auditor's report contains a qualification in respect of Note 5 (a) and (b) above.

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6. Figures for the preceding three months ended 31st March, 2017 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2017 and the year to date figures upto the third quarter of the financial year.

For and on behalf of the Board of  
THE TATA POWER COMPANY LIMITED



ANIL SARDANA  
CEO & Managing Director

Date: 14th August, 2017.



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**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
THE TATA POWER COMPANY LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **THE TATA POWER COMPANY LIMITED** ("the Company"), for the Quarter ended June 30, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related interim condensed standalone financial statements which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such interim condensed standalone financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

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We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified audit opinion.

3. As described in Note 5 to the Statement, the fair value of unquoted equity shares of Tata Teleservices Limited (TTSL) has not been determined as at June 30, 2017. We are, therefore, unable to comment on whether the carrying value of:
  - a) Investments in TTSL of Rs. 384.88 crores represents the fair value of such investments as at June 30, 2017 and the consequent impact thereof on Other Comprehensive Income, and
  - b) 'Other advance', which represent TTSL shares receivable from DoCoMo under a contractual obligation of Rs. 138.55 crores as at June 30, 2017 represents the fair value of such shares and the consequent impact thereof on the net profit for the period.

These matters were also qualified in our report on the financial results for the quarter and year ended March 31, 2017.

4. In our opinion and to the best of our information and according to the explanations given to us, and except for the possible effects of the matters described in paragraph 3 above, the Statement:
  - a) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - b) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the Quarter ended June 30, 2017.
5. We draw attention to the following matters:
  - a) Note 2 to the Statement which describes uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. Pending outcome of the Appeal filed before the Hon'ble Supreme Court, no adjustment has been made by the Company in respect of the standby charges estimated at Rs. 519 crores accounted for as revenue in earlier periods and its consequential effects for the period upto June 30, 2017. The impact of the same on the results for the Quarter ended June 30, 2017 cannot presently be determined pending the ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged, adjustment, if any, will be recorded by the Company based on final outcome of the matter.

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- b) Note 3 to the Statement in respect of entry tax matter, estimated at Rs. 1,967.43 crores (including interest of Rs. 643.99 crores and penalty of Rs. 740.89 crores), has been decided by the Hon'ble Bombay High Court against the Company. The Company is of the view, supported by legal opinions, that it has a strong case on merits and has appealed the matter before the Hon'ble Supreme Court. Adjustments, if any, will be recorded by the Company based on final outcome of the matter.
- c) Note 4 to the Statement which describes the basis on which Management has considered that no impairment is necessary as at June 30, 2017 for long term-investments of Rs. 11,369.75 crores in Coastal Gujarat Power Limited (CGPL), and no provision is required in respect of guarantees of Rs. 2,663.83 crores given to CGPL's lenders.

Our opinion is not modified in respect of these matters.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



UDAYAN SEN  
Partner  
(Membership No. 031220)

MUMBAI, August 14, 2017