

Deloitte Haskins & Sells LLP

Chartered Accountants
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REF: RAB/678
AUDITORS' CERTIFICATE

1. In connection with the proposed "Scheme of Amalgamation" (the "Scheme") (certified copy attached for reference), between **The Tata Power Company Limited** ("the Company") and **Chemical Terminal Trombay Limited** ("CTTL") and their respective shareholders and their creditors under Section 391 and 394 of the Companies Act, 1956, we, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm's Registration Number : 117366W/W-100018), the statutory auditors of the Company having its registered office at Bombay House, 24, Homi Mody Street, Mumbai- 400001, have examined the books of account, the Scheme and other relevant records and document maintained by the Company in the usual course of its business for the purpose of certifying the accompanying "Statement of Undertaking under paragraph 5.16 (b) of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013" (the "Statement"), duly stamped and initialed for identification.
2. The Management of the Company is responsible for the preparation of the Statement and maintenance of proper books of account and such other relevant records as prescribed by the applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error. The Management of the Company is also responsible for ensuring compliance with the requirements of SEBI Circular No. CIR/CFD/DIL/5/ 2013 dated February 4, 2013, as modified vide SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 ("the SEBI Circular"), and more specifically with respect to compliance with the requirements of paragraph 5.16(a) of the SEBI Circular.
3. Additionally the Company has also obtained a legal opinion confirming that the Scheme does not envisage any of the three cases referred to in paragraph 5.16(a) of the SEBI Circular.
4. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Statement on the basis of the books of account, the Scheme, legal opinion as above and other relevant records and documents maintained by the Company. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purpose and Standards on Auditing, issued by the Institute of Chartered Accountants of India.

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5. On the basis of our examination and according to the information and explanations given to us and the legal opinion mentioned above, the Undertaking provided by the Company in the Statement that the three cases mentioned in paragraph 5.16 (a) are not applicable to the Scheme, for the reasons stated below and in the Statement, is in accordance with the books of account, the Scheme, and other relevant records and documents maintained by the Company.

The reasons for non-applicability of paragraph 5.16(a) of the SEBI Circular to the Scheme are:

- (a) No shares would be issued as per the Scheme to any promoter/ promoter group, related parties of promoter / promoter group, associates of promoter / promoter group, subsidiary/(s) of promoter / promoter group ('Specified Party') of the company; and therefore paragraph 5.16(a)(i) of the SEBI Circular does not apply to the Scheme.
- (b) The Scheme does not involve any other entity involving any Specified Party and therefore paragraph 5.16(a)(ii) of the SEBI Circular does not apply to the Scheme.
- (c) With respect to the acquisition of equity shares in CTTL by Af-Taab Investment Company Limited from Tata Investment Corporation Limited and Ewart Investments Limited (both Specified Party) in 2004, the acquisition was not made by the 'parent listed company' (i.e. by the Company itself), and Af-Taab Investment Company Limited a wholly-owned subsidiary of the Company is not a Specified Party of the parent listed company (i.e. the Company) and therefore paragraph 5.16 (a) (iii) of the SEBI Circular does not apply to the Scheme.
6. This Certificate is issued at the request of the Management of the Company for onward submission to the Stock Exchanges with the Scheme, and should not be used for any other purpose without our prior written consent.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Regn. No. 117366W/ W-100018

R. A. Banga

R. A. Banga
Partner

Membership No. 037915

Place: Mumbai

Date: 21st September, 2015



**Statement of Undertaking under Para 5.16 (b) of
SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May 2013**

Sub: Scheme of Amalgamation between The Tata Power Company Limited (Tata Power or Transferee Company) and Chemical Terminal Trombay Limited (CTTL or Transferor Company) and their respective shareholders and their creditors under sections 391 - 394 of the Companies Act, 1956 (Scheme) and the non-applicability of the requirements prescribed under Para 5.16(a) of SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May 2013 in respect of the Scheme (SEBI Circular)

1. In connection with the above captioned matter and based on the requirement provided in Para 5.16 (b) of the SEBI Circular, the Board of Directors of Tata Power provide the undertaking that the three cases mentioned in Para 5.16(a) of the SEBI Circular (provided herein below) are not applicable to the proposed Scheme for the reasons stated in paragraph 2 below.
2. The three cases referred to in Para 5.16(a) of the SEBI Circular are reproduced below:
 - (i) *Where additional shares have been allotted to Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the listed company, or*
 - (ii) *Where the Scheme of Arrangement involves the listed company and any other entity involving Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group.*
 - (iii) *Where the parent listed company, has acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the parent listed company, and if that subsidiary is being merged with the parent listed company under the Scheme.*
3. Para 5.16(a) of the SEBI Circular further requires that such schemes shall provide that the scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
4. It is submitted that the proposed Scheme does not envisage any of the three cases referred to in Para 5.16(a) of the SEBI Circular in view of the reasons stated below:



TATA POWER

The Tata Power Company Limited

Registered Office Bombay House 24 Horni Mody Street Mumbai 400 001

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Website : www.tatapower.com Email : tatapower@tatapower.com . CIN : L28920MH1919PLC000567

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- (i) As on date, Tata Power, along with its nominees, holds 1,86,20,000 equity shares of CTTL which constitutes 100% of the issued, subscribed and paid-up share capital of CTTL. Upon the proposed Scheme becoming effective, CTTL shall merge with Tata Power, no new shares would be issued to the equity shareholders of CTTL by Tata Power and the entire share capital of CTTL would stand cancelled and there would be no reorganization of the share capital of Tata Power. Accordingly, no shares would be issued to any Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group of Tata Power.
- (ii) The proposed Scheme involves merger of the wholly owned subsidiary CTTL with its parent company being Tata Power. Tata Power is the sole promoter of CTTL. The Scheme does not involve any other entity involving Promoter/Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group.
- (iii) We have set out below the share transfers that have taken place in CTTL pursuant to which CTTL became a wholly owned subsidiary of Tata Power:
- (a) CTTL was incorporated in the state of Maharashtra on 17th March 1970.
- (b) At the time of incorporation, the shareholding of CTTL was as follows:

| Sl. No. | Name of entity | Percentage Shareholding in CTTL |
|-----------------------|---|---------------------------------|
| TATA GROUP | | |
| 1. | The Tata Hydro-Electric Power Supply Company Limited (Tata Hydro) | 10.00 |
| 2. | The Andhra Valley Power Supply Company Limited (Andhra Valley) | 10.00 |
| 3. | The Tata Power Company Limited | 10.00 |
| 4. | The Investment Corporation of India Limited (now known as Tata Investment Corporation Limited) (TICL) | 10.00 |
| 5. | Sasoon J. David & Co. Ltd. (now known as Ewart Investments Limited (EIL)) | 10.00 |
| 6. | Mr. K. M. Chinnappa (the then GM, Tata Electric Companies) | 0.33 |
| 7. | Mr. F. A. Rabady (the then Company Secretary Tata Electric Companies) | 0.33 |
| 8. | Mr. S. P. Manaktala (the then GM, Tata Electric Companies) | 0.34 |
| | Sub-total | 51.00 |
| NON-TATA GROUP | | |



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| Sl. No. | Name of entity | Percentage Shareholding in CTTL |
|---------|--|---------------------------------|
| 9. | The Triveni Engineering Works Ltd., Delhi | 20.00 |
| 10. | The Engineering & Technical Services Ltd., Delhi | 10.67 |
| 11. | Mr. Ram Gidwaney | 10.00 |
| 12. | 4 individual as shareholders from Delhi (associates of Mr. Devi Chand Sawhney) | 08.33 |
| | Sub-total | 49.00 |
| | Grand total | 100.00 |

- (c) In the year 1999, the Tata group entities purchased the entire shareholding of non-Tata group entities. Upon such purchase, the shareholding of CTTL was held by 5 Tata group companies viz. Tata Hydro, Andhra Valley, the Company, TICL and EIL.
- (d) In the year 2000, Tata Hydro and Andhra Valley entered into a scheme of amalgamation with the Company pursuant to which Tata Hydro and Andhra Valley merged into the Company and the investments of Tata Hydro and Andhra Valley in CTTL got automatically vested in the Company, as a result of which the shareholding pattern of CTTL changed to the following:
- | | |
|------------|-------|
| Tata Power | - 72% |
| TICL | - 18% |
| EIL | - 10% |
- (e) In June 2004, Af-Taab Investment Company Limited (Af-Taab) (a wholly owned subsidiary of Tata Power) acquired 28% stake in CTTL from TICL (18%) and EIL (10%).
- (f) In 2007, the Company acquired the remaining 28% shareholding of CTTL from Af-Taab and, accordingly, CTTL became a wholly owned subsidiary of Tata Power.
- (g) Therefore, Tata Power had acquired shares of CTTL: (i) from Tata Hydro and Andhra Valley consequent to the merger of Tata Hydro and Andhra Valley into itself; and (ii) from Af-Taab, which is a wholly owned subsidiary of Tata Power. Accordingly, Tata Power had not acquired the equity shares of CTTL by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the parent listed company. Further, it is pertinent to note that CTTL has been a subsidiary of the Company since 2007 till date.





-4-

5. Accordingly, we submit that the following requirements prescribed under Para 5.16(a) of the SEBI Circular are not applicable to Tata Power in relation to the proposed Scheme:
- (i) Requirement to ensure that the proposed Scheme to be submitted with the Hon'ble High Court for sanction, provides for voting by public shareholders through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution; and
 - (ii) Requirement to provide in the proposed Scheme that the proposed Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
6. Consequent to this Statement of Undertaking, the requirement of voting by public shareholders through postal ballot and the effectiveness of Scheme being dependent upon the approval of the shareholders in terms of SEBI Circular is being deleted by deletion of the following Clause 22.1.2 of the Scheme:

"22.1.2 Approval of and agreement to the Scheme by the requisite majority of each class of the respective members and creditors of the Transferee Company, in terms with the applicable provisions of the guidelines issued by SEBI, as amended and updated from time to time; and, as may be considered necessary to give effect to the Scheme. It is hereby clarified that the Transferee Company will provide for voting by public shareholders through postal ballot and e-voting and that the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it."

For The Tata Power Company Limited

(H. M. Mistry)
Company Secretary

