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Date: November 3, 2017

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Bldg, P J Towers
Dalal Street, Fort, Mumbai 400 001

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai-400 051

Dear Sir/Madam,

Disclosures as per Regulation 52(4) of SEBI (LODR) Regulations, 2015 for half year ended 30th Sep, 2017

1. Financial results as on September 30, 2017
2. Credit rating letters CRISIL and CARE
 - a. "CRISIL AA-" rating from CRISIL Ratings for our Non-Convertible Debenture programme with "Stable" outlook (refer rating rationale of October 5, 2017 issued by CRISIL)
 - b. "CARE AA" rating from CARE Ratings for our Non-Convertible Debenture programme with "Stable" outlook (refer rating rationale dated September 11, 2017 by CARE Ratings)
3. Asset cover as on September 30, 2017 is 1.24 (Refer enclosed Certificate)
4. Debt Equity ratio as on September 30, 2017 is 0.97
5. Statement 'A' detailing the last due dates for payment of interest and principal and next due dates of payment of interest and principal in respect of the Company's outstanding Debentures
6. Debt Service Coverage ratio as on September 30, 2017 with Exceptional Item is 0.71 and without Exceptional Item is 0.78.
7. Interest Service Coverage ratio as on September 30, 2017 with Exceptional Item is 1.67 and without Exceptional Item is 1.85.
8. Outstanding redeemable preference shares as on September 30, 2017 is Nil
9. Capital Redemption Reserve and Debenture Redemption Reserve as on September 30, 2017 are ₹1.60 crore and ₹1,000.90 crore respectively
10. Net worth (as defined in the Companies Act, 2013) as on September 30, 2017 is ₹15,881.82 crores
11. Net Profit after tax as on September 30, 2017 is ₹266.63 crores
12. Earnings per share for the half-year ended September 30, 2017 (not annualized) excluding Regulatory Income/(Expense) is ₹1.04 (Basic) and ₹1.04 (Diluted) and including Regulatory Income/(Expense) is ₹0.78 (Basic) and ₹0.78 (Diluted)
13. Certificate from Debenture trustee that it has taken note of the contents is enclosed

Yours faithfully,

For The Tata Power Company Limited

Hanoz Mistry

Hanoz Mistry
Company Secretary

Encl: As above

TATA POWER

The Tata Power Company Limited

Registered Office Bombay House 24 Homi Mody Street Mumbai 400 001

Tel 91 22 6665 8282 Fax 91 22 6665 8801

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

TATA POWER

The Tata Power Company Limited
Bombay House, 24 Homi Mody Street, Mumbai 400 001
Website: www.tatapower.com
CIN : L28920MH1919PLC000567

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER/HALF-YEAR ENDED 30TH SEPTEMBER, 2017						
Particulars	Quarter ended			Half-year ended		Year ended
	30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Mar-17
	MUs	MUs	MUs	MUs	MUs	MUs
(A)						
1. Generation	3,288	3,287	3,330	6,575	6,493	12,227
2. Sales	3,219	3,431	3,228	6,650	6,598	12,544
	(₹ in crore)					
(Refer Notes Below)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
(B)						
1. Income						
i) Revenue from Operations	1,936.10	1,926.59	1,725.12	3,862.69	3,603.69	7,237.06
ii) Other Income	181.02	214.46	492.94	395.48	618.48	992.20
Total Income	2,117.12	2,141.05	2,218.06	4,258.17	4,222.17	8,229.26
2. Expenses						
i) Cost of Power Purchased	85.47	146.84	75.39	232.31	236.26	466.52
ii) Cost of Fuel	667.43	660.56	586.36	1,327.99	1,184.60	2,342.83
iii) Transmission Charges	70.02	70.04	54.08	140.06	110.78	221.30
iv) Cost of Components Consumed	37.22	57.67	59.93	94.89	122.87	349.98
v) Employee Benefits Expense	160.49	164.04	162.23	324.53	325.17	660.80
vi) Finance Costs	396.64	354.44	326.66	751.08	604.16	1,324.37
vii) Depreciation and Amortisation Expenses	168.35	163.19	157.87	331.54	312.91	634.21
viii) Other Expenses	171.17	235.97	241.33	407.14	431.94	1,116.67
Total Expenses	1,756.79	1,852.75	1,663.85	3,609.54	3,328.69	7,116.68
3. Profit Before Rate Regulated Activities, Exceptional Items and Tax (1-2)	360.33	288.30	554.21	648.63	893.48	1,112.58
4. Add / (Less): Regulatory income/(expense) (net) [Refer Note 5(b)]	(115.50)	2.50	(4.00)	(113.00)	(124.00)	(13.00)
Add / (Less): Regulatory income/(expense) (net) in respect of earlier years	-	-	77.00	-	77.00	77.00
5. Profit Before Exceptional Items and Tax (3+4)	244.83	290.80	627.21	535.63	846.48	1,176.58
6. Less: Exceptional Items						
Provision Towards Contractual Obligation (Refer Note 3)	113.17	-	-	113.17	-	651.45
7. Profit/(Loss) Before Tax (5-6)	131.66	290.80	627.21	422.46	846.48	525.13
8. Tax Expense						
Current Tax [Refer Note 5(b) and 5(c)]	33.62	83.93	79.17	117.55	148.00	265.93
Deferred Tax	48.22	(8.94)	67.96	39.28	67.74	(68.24)
Deferred Tax (Recoverable)/Payable [Refer Note 5(a)]	(0.50)	(0.50)	(16.25)	(1.00)	(32.50)	(65.00)
9. Profit/(Loss) for the Period/Year (7-8)	50.32	216.31	496.33	266.63	663.24	392.44
10. Extraordinary items (net of tax)	-	-	-	-	-	-
11. Net profit for the period (9-10)	50.32	216.31	496.33	266.63	663.24	392.44
12. Other Comprehensive Income/(Expenses)						
(i) Items that will not be reclassified to profit or loss	(315.20)	(2.48)	(155.84)	(317.68)	(150.60)	(125.27)
(ii) Tax relating to items that will not be reclassified to profit or loss	28.78	-	5.40	28.78	5.40	4.07
(iii) Items that will be reclassified to profit and loss	-	-	-	-	-	-
(iv) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Other Comprehensive Income/(Expenses)	(286.42)	(2.48)	(150.44)	(288.90)	(145.20)	(121.20)
13. Total Comprehensive Income (11+12)	(236.10)	213.83	345.89	(22.27)	518.04	271.24
14. Paid-up Equity Share Capital (Face Value: ₹ 1/- per share)	270.50	270.50	270.48	270.50	270.48	270.50
15. Total Reserves #						16,297.14
16. i. Earnings Per Equity Share (excluding Regulatory income/(expense) (net)) (of ₹ 1/- each) (not annualised for quarters)						
Basic: (In ₹)	0.35	0.69	1.52	1.04	2.38	0.86
Diluted: (In ₹)	0.35	0.69	1.52	1.04	2.38	0.86
16. ii. Earnings Per Equity Share (including Regulatory income/(expense) (net)) (of ₹ 1/- each) (not annualised for quarters)						
Basic: (In ₹)	0.08	0.70	1.73	0.78	2.24	1.04
Diluted: (In ₹)	0.08	0.70	1.73	0.78	2.24	1.04
17. Debt Service Coverage Ratio (no. of times)						
With Exceptional Item				0.71	2.01	0.90
Without Exceptional Item				0.78	2.01	1.26
18. Interest Service Coverage Ratio (no. of times)						
With Exceptional Item				1.67	2.64	1.47
Without Exceptional Item				1.85	2.64	2.04

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

* Restated

SIGNED FOR IDENTIFICATION
BY 
SRBC & CO LLP
MUMBAI

TATA POWER

The Tata Power Company Limited
Bombay House, 24 Homi Mody Street, Mumbai 400 001
Website: www.tatapower.com
CIN : L28920MH1919PLC000567

STANDALONE SEGMENT INFORMATION

₹ crore

Particulars (Refer Notes Below)	Quarter ended			Half-year ended		Year ended
	30-Sep-17 (Audited)	30-Jun-17 (Audited) *	30-Sep-16 (Audited) *	30-Sep-17 (Audited)	30-Sep-16 (Audited) *	31-Mar-17 (Audited) *
Segment Revenue						
Power Business	1,730.79	1,807.95	1,682.26	3,538.74	3,318.08	6,593.35
Others	89.81	121.14	115.86	210.95	238.61	707.71
Total Segment Revenue	1,820.60	1,929.09	1,798.12	3,749.69	3,556.69	7,301.06
(Less): Inter Segment Revenue	-	-	-	-	-	-
Revenue / Income from Operations {including Regulatory Income/(Expense)}	1,820.60	1,929.09	1,798.12	3,749.69	3,556.69	7,301.06
Segment Results						
Power Business	482.48	464.12	490.41	946.60	873.81	1,614.56
Others	(6.05)	(4.42)	(3.59)	(10.47)	3.72	97.59
Total Segment Results	476.43	459.70	486.82	936.13	877.53	1,712.15
(Less): Finance Costs	(396.64)	(354.44)	(326.66)	(751.08)	(604.16)	(1,324.37)
(Less): Exceptional Item - Unallocable	(113.17)	-	-	(113.17)	-	(651.45)
Add: Unallocable Income/(Expense) (Net)	165.04	185.54	467.05	350.58	573.11	788.80
Profit/(Loss) Before Tax	131.66	290.80	627.21	422.46	846.48	525.13
Segment Assets						
Power Business	14,278.55	14,534.22	14,685.03	14,278.55	14,685.03	14,551.67
Others	2,487.49	2,362.97	1,814.79	2,487.49	1,814.79	2,323.33
Unallocable	23,545.13	23,625.66	23,129.18	23,545.13	23,129.18	23,376.67
Total Assets	40,311.17	40,522.85	39,629.00	40,311.17	39,629.00	40,251.67
Segment Liabilities						
Power Business	3,694.10	3,636.09	3,467.60	3,694.10	3,467.60	3,678.17
Others	511.78	477.63	502.43	511.78	502.43	547.35
Unallocable	18,501.16	18,200.18	17,288.23	18,501.16	17,288.23	17,958.51
Total Liabilities	22,707.04	22,313.90	21,258.26	22,707.04	21,258.26	22,184.03

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.

RECONCILIATION OF REVENUE

₹ crore

Particulars (Refer Notes Below)	Quarter ended			Half-year ended		Year ended
	30-Sep-17 (Audited)	30-Jun-17 (Audited)	30-Sep-16 (Audited)	30-Sep-17 (Audited)	30-Sep-16 (Audited)	31-Mar-17 (Audited)
Revenue from Operations	1,936.10	1,926.59	1,725.12	3,862.69	3,603.69	7,237.06
Add/(Less): Regulatory income/(expense) (net) [Refer Note 10]	(115.50)	2.50	(4.00)	(113.00)	(124.00)	(13.00)
Add/(Less): Regulatory income/(expense) (net) in respect of earlier years	-	-	77.00	-	77.00	77.00
Total Segment Revenue as reported above	1,820.60	1,929.09	1,798.12	3,749.69	3,556.69	7,301.06

* Restated

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BY**

**SRBC & CO LLP
MUMBAI**

AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at 30-Sep-17 ₹ crore (Audited)	As at 31-Mar-17 ₹ crore (Audited)	As at 01-Apr-16 ₹ crore (Audited)
A ASSETS			
1. Non-current assets			
a) Property, plant and equipment	8,015.85	8,130.21	8,251.53
b) Capital Work-in-Progress	810.89	666.18	485.72
c) Intangible Assets	183.98	189.87	140.54
d) Intangible Assets under Development	297.40	254.68	209.70
e) Financial Assets	-	-	-
(i) Investments	21,943.75	22,369.27	14,031.71
(ii) Trade Receivables	185.76	185.76	185.76
(iii) Loans	22.48	22.82	3,644.45
(iv) Finance Lease Receivables	564.54	573.47	617.63
(v) Other Financial Assets	599.86	855.10	1,022.26
f) Non-current Tax Assets (Net)	-	-	-
g) Other Non-current Assets	1,094.09	1,105.15	1,143.96
Total - Non-current assets	33,718.60	34,352.51	29,733.26
2. Current assets			
a) Inventories	602.74	671.09	689.05
b) Financial Assets			
(i) Investments	25.00	89.34	0.22
(ii) Trade Receivables	1,454.07	1,234.26	1,057.23
(iii) Unbilled Revenue	472.16	560.98	299.96
(iv) Cash and cash Equivalents	26.62	141.60	33.83
(v) Bank Balances other than (iv) above	167.52	14.47	12.06
(vi) Loans	10.28	-	106.00
(vii) Finance lease receivables	34.64	39.16	48.80
(viii) Other financial assets	172.46	376.71	212.06
c) Other Current Assets	278.75	273.83	345.06
Assets Classified as Held For Sale	3,244.24	3,401.44	2,804.27
	1,233.33	235.72	-
Total - Current assets	4,477.57	3,637.16	2,804.27
Total Assets before Regulatory Deferral Account	38,196.17	37,989.67	32,537.53
Regulatory Deferral Account - Assets	2,115.00	2,262.00	2,441.09
TOTAL - ASSETS	40,311.17	40,251.67	34,978.62
B EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	270.50	270.50	270.48
b) Unsecured Perpetual Securities	1,500.00	1,500.00	1,500.00
c) Other Equity	15,833.63	16,297.14	16,519.06
Total Equity	17,604.13	18,067.64	18,289.54
Liabilities			
1. Non-current liabilities			
a) Financial Liabilities			
(i) Borrowings	7,317.14	8,847.86	8,983.62
(ii) Trade Payables	37.15	35.57	33.12
(iii) Other Financial Liabilities	32.06	31.98	33.59
b) Provisions	182.91	170.17	151.57
c) Deferred Tax Liabilities (Net)	923.58	914.09	1,050.94
d) Other Non-current liabilities	189.72	187.34	176.85
Total - Non-current liabilities	8,682.56	10,187.01	10,429.69
2. Current liabilities			
a) Financial Liabilities			
(i) Borrowings	3,237.84	2,391.98	1,507.09
(ii) Trade payables	1,281.29	1,344.68	1,263.26
(iii) Other financial liabilities	7,796.59	6,632.32	1,866.79
b) Provisions	78.40	52.33	73.59
c) Current Tax Liabilities (Net)	95.46	100.26	107.74
d) Other Current Liabilities	878.90	819.45	760.54
Total - Current liabilities	13,368.48	11,341.02	5,579.01
Total Liabilities before Regulatory Deferral Account	22,051.04	21,528.03	16,008.70
Regulatory Deferral Account - Liability	656.00	656.00	680.38
TOTAL - EQUITY AND LIABILITIES	40,311.17	40,251.67	34,978.62

* Restated

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BY**

**SRBC & CO LLP
MUMBAI**

NOTES TO STANDALONE FINANCIAL RESULTS - Q2 FY18

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 3rd November, 2017.
2. Coastal Gujarat Power Limited (CGPL), a subsidiary of the Company has been incurring significant losses. The management of CGPL has approached the procuring states to arrive at alternative solutions to minimize the operating losses including the offer of sale of 51% shareholding in CGPL at a nominal value to procurers subject to grant of compensatory tariff to CGPL. The discussions are still at an exploratory stage with various stakeholders. Based on the review of the recoverability of the carrying amount of its investment of ₹ 11,548.85 crore in CGPL and investments in subsidiaries for downstream investments in coal mines and related infrastructure, no adjustment to the carrying value is considered necessary.
3. The Company holds equity shares of Tata Teleservices Limited (TTSL) which are measured at fair value through Other Comprehensive Income. The Company has also written put options on equity shares of TTSL which have been exercised by the holder and the shares have been acquired subsequent to the end of the quarter. The changes in the fair value of these put options are recognized in the Statement of Profit and Loss. During the quarter ended 30th September, 2017, the Company has recognized a fair value adjustment of ₹ 384.88 crore through Other Comprehensive Income and ₹ 113.17 crore (31st March, 2017 - ₹ 651.45 crore) as an exceptional expense in the financial results.
4. During the quarter the Company has reviewed and reassessed the classification of certain old matters pertaining to its regulated business. Consequently, the statutory appropriation reserve and investment allowance reserve created prior to the enactment of Maharashtra Electricity Regulatory Commission Tariff Regulations, 2003 amounting to ₹ 660.08 crore as at 1st April, 2016 and 31st March, 2017 have been reclassified from "other current liabilities" to "other equity". This change has no impact on the profit/loss for the period/year.
5. (a) In its regulated operations, the Company hitherto followed a practice of not recognizing regulatory asset on deferred tax liability. The Company has reviewed this accounting treatment and recognized a regulatory asset of ₹ 493 crore as at 1st April, 2016 and ₹ 65 crore for the year ended 31st March, 2017 pertaining to its transmission and distribution business. In respect of generation business regulatory asset on deferred tax liability of ₹ 519 crore as at 1st April, 2016 has not been recognized pending regulatory clarity regarding the process of recovery subsequent to expiry of the Power Purchase Agreements in March 2018. This change has no material impact on the profit/loss for the period/year.
(b) In the regulated operations of the Company, regulatory asset on income tax expense was considered in the year of recovery. The Company has reviewed the accounting treatment and recognized a regulatory asset of ₹ 286 crore as at 1st April, 2016. This change has no material impact on the profit/loss for the period/year.
(c) As per the clarifications issued by ICAI during the year, the Company reclassified income taxes paid on dividend received for which set off was allowed against the Dividend Distribution Tax (DDT) from "current tax" to "other equity". Accordingly, tax expense is lower by and net profit is higher by ₹ 28.99 crore for the year ended 31st March, 2017, ₹ 28.99 crore and ₹ 17.07 crore for the quarters ended 30th September, 2016 and 30th June, 2017 respectively and ₹ 28.99 crore for the half-year ended 30th September, 2016.
6. The Board of Directors of the Company has approved a scheme of arrangement for transfer of 379.5 MW renewable assets of the Company to its wholly owned subsidiaries as a "going concern" on a slump sale basis and in exchange for which, the lump sum consideration will be paid by the respective transferee companies. The Company has filed the necessary petition before the National Company Law Tribunal for its approval.
The effect of the scheme would be recognized on receipt of statutory approvals.
7. (a) Debt Service Coverage Ratio = $(\text{Profit before Tax} + \text{Interest on Long-term loans}) / (\text{Interest on Long-term loans} + \text{Principal Repayment of Long-term loans})$ *
(b) Interest Service Coverage Ratio = $(\text{Profit before Tax} + \text{Interest on Long-term loans}) / (\text{Interest on Long-term loans})$ *
* For the purpose of computation, loans having original maturity of more than 365 days are considered as Long-term loans. Principal Repayment of Long-term loans does not include pre-payments.
8. Figures for the previous periods/year are re-classified/re-arranged/re-grouped, wherever necessary.



For and on behalf of the Board of

A handwritten signature in blue ink, appearing to read "Anil Sardana". Below the signature is a horizontal blue line.

ANIL SARDANA
CEO & Managing Director

Date: 3rd November, 2017.



**Auditor's Report On Quarterly Standalone Financial Results and Year to Date Results of the
Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

**To
Board of Directors of
The Tata Power Company Limited,**

1. We have audited the accompanying statement of quarterly standalone financial results of The Tata Power Company Limited (the 'Company') for the quarter ended September 30, 2017 and the year to date results for the period from April 1, 2017 to September 30, 2017 (the 'Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Statement has been prepared on the basis of the interim standalone financial statements in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company.
2. Our responsibility is to express an opinion on this Statement based on our audit of such interim standalone financial statements, which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. 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 plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us this Statement:
 - i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
 - ii. give a true and fair view of the total comprehensive income (comprising of net profit and other comprehensive income) and other financial information for the quarter ended September 30, 2017 as well as the year to date results for the period from April 1, 2017 to September 30, 2017.



S R B C & C O L L P

Chartered Accountants

The Tata Power Company Limited

Page 2 of 2

5. The comparative Ind AS financial information of the Company for the immediately preceding quarter ended June 30, 2017, corresponding quarter and half year ended September 30, 2016 and the year ended March 31, 2017, were audited by predecessor auditor who expressed a modified opinion on those financial information/financial statements on August 14, 2017, November 29, 2016 and May 19, 2017 respectively.
6. We audited the adjustments, as fully described in note 4 and 5 to the Statement, which have been made to the comparative financial information presented for the periods prior to quarter ended September 30, 2017. In our opinion, such adjustments are appropriate and have been properly applied.

For S R B C & C O L L P

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003


per **Sadhir Soni**

Partner

Membership No.: 41870



Place: Mumbai

Date: November 03, 2017

TATA POWER

The Tata Power Company Limited
Bombay House, 24 Homi Mody Street, Mumbai 400 001
Website: www.tatapower.com
CIN : L28920MH1919PLC000567

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE THE QUARTER/HALF-YEAR ENDED 30TH SEPTEMBER, 2017						
Particulars (Refer Notes Below)	Quarter ended			Half-year ended		Year ended
	30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Mar-17
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(₹ in crore)						
1. Income						
i) Revenue from Operations	7,657.30	6,968.62	7,213.64	14,625.92	14,056.69	27,916.72
ii) Other Income	133.10	144.39	171.42	277.49	283.38	585.88
Total Income	7,790.40	7,113.01	7,385.06	14,903.41	14,340.07	28,502.60
2. Expenses						
i) Cost of power purchased	2,190.13	1,895.39	2,458.31	4,085.52	4,756.30	8,218.99
ii) Cost of fuel	2,529.15	2,125.82	2,116.08	4,654.97	3,892.96	8,692.39
iii) Raw material consumed	151.23	95.85	221.09	247.08	380.18	1,009.67
iv) Purchase of finished goods, spares and shares	3.32	4.99	7.73	8.31	14.47	26.40
v) Transmission charges	70.50	70.38	54.48	140.88	111.18	224.13
vi) Cost of components consumed	37.22	57.67	59.93	94.89	122.87	349.98
vii) (Increase)/Decrease in stock-in-trade and work-in-progress	(96.82)	(9.33)	(44.36)	(106.15)	(18.64)	28.34
viii) Employee benefits expense	390.82	333.52	307.08	724.34	618.65	1,295.94
ix) Finance costs	981.39	1,002.97	773.42	1,984.36	1,695.25	3,370.56
x) Depreciation and Amortisation expenses	590.00	585.68	447.64	1,175.68	886.95	1,988.59
xi) Other expenses	531.99	601.94	580.01	1,133.93	1,114.49	2,326.02
Total Expenses	7,378.93	6,764.88	6,981.41	14,143.81	13,574.66	27,531.01
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)	411.47	348.13	403.65	759.60	765.41	971.59
4. Add/(Less): Regulatory expense (net) [Refer Note 7 (b)]	(264.12)	(249.09)	(6.12)	(513.21)	(277.87)	(159.44)
Add/(Less): Regulatory income (net) in respect of earlier years	-	-	77.00	-	77.00	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)	147.35	99.04	474.53	246.39	564.54	889.15
6. Less: Exceptional Items						
Impairment (Net) (Refer Note 4)	35.63	-	-	35.63	-	-
Provision towards contractual obligations (Refer Note 3)	113.17	-	-	113.17	-	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)	(1.45)	99.04	474.53	97.59	564.54	237.70
8. Tax Expense						
Current Tax [Refer Note 7(b) and 7(c)]	114.37	230.39	146.31	344.76	281.04	557.03
Deferred Tax	66.56	(6.82)	(313.38)	59.74	(302.26)	(655.19)
Deferred Tax (Recoverable) / Payable [Refer Note 7 (a)]	(25.68)	(19.34)	361.06	(45.02)	345.18	462.02
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)	(156.70)	(105.19)	280.54	(261.89)	240.58	(126.16)
10. Share of Profit of Associates and Joint Ventures accounted for using the Equity Method [Refer Note 6(b)]	425.20	389.44	195.76	814.64	386.94	1,225.79
11. Net Profit/(Loss) for the Period/Year (9+10)	268.50	284.25	476.30	552.75	627.52	1,099.63
12. Extraordinary items (net of tax)	-	-	-	-	-	-
13. Net profit for the period (11-12)	268.50	284.25	476.30	552.75	627.52	1,099.63
14. Other Comprehensive Income/(Expenses)						
(i) Items that will not be reclassified to profit or loss	(309.49)	4.36	(144.57)	(305.13)	(131.62)	(104.26)
(ii) Tax relating to items that will not be reclassified to profit or loss	29.54	(1.57)	(33.01)	27.97	(32.78)	(34.07)
(iii) Share of Other Comprehensive Income/(Expense) that will not be reclassified to profit or loss of Associates and Joint Ventures accounted for using the Equity Method	(4.23)	(2.41)	(32.74)	(6.64)	(40.00)	(63.34)
(iv) Items that will be reclassified to profit and loss	12.89	(2.79)	(6.38)	10.10	5.30	(18.45)
(v) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
(vi) Share of Other Comprehensive Income/(Expense) that will be reclassified to profit or loss of Associates and Joint Ventures accounted for using the Equity Method	38.54	(11.18)	(49.76)	27.36	(2.20)	87.40
Other Comprehensive Expenses	(232.75)	(13.59)	(266.46)	(246.34)	(201.30)	(132.72)
15. Total Comprehensive Income (13+14)	35.75	270.66	209.84	306.41	426.22	966.91
Profit/(Loss) for the Period/Year attributable to:						
Owners of the Company	234.16	227.16	427.32	461.32	519.80	896.55
Non-controlling Interests	34.34	57.09	48.98	91.43	107.72	203.08
Others Comprehensive Income/(Expenses) attributable to:						
Owners of the Company	(232.35)	(13.03)	(266.46)	(245.38)	(201.32)	(132.13)
Non-controlling Interests	(0.40)	(0.56)	-	(0.96)	0.02	(0.59)
Total Comprehensive Income attributable to:						
Owners of the Company	1.81	214.13	160.86	215.94	318.48	764.42
Non-controlling Interests	33.94	56.53	48.98	90.47	107.74	202.49
16. Paid-up equity share capital (Face Value: ₹ 1/- per share)	270.50	270.50	270.48	270.50	270.48	270.50
17. Total Reserves #						12,944.05
18.i Earnings Per Equity Share (excluding Regulatory income/(expense) (net)) (of ₹ 1/- each) (not annualised for quarters)						
Basic: (In ₹)	1.58	1.66	1.27	3.24	2.42	3.26
Diluted: (In ₹)	1.58	1.66	1.27	3.24	2.42	3.26
18.ii Earnings Per Equity Share (including Regulatory income/(expense) (net)) (of ₹ 1/- each) (not annualised for quarters)						
Basic: (In ₹)	0.76	0.74	1.47	1.50	1.71	2.90
Diluted: (In ₹)	0.76	0.74	1.47	1.50	1.71	2.90

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

* Restated

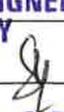
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BY**

**S R B C & CO LLP
MUMBAI**

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at		
	30-Sep-17	31-Mar-17	01-Apr-16
	₹ crore (Unaudited)	₹ crore (Audited)	₹ crore (Audited)
ASSETS			
1. Non-current Assets			
(a) Property, Plant and Equipment	42,780.83	43,012.62	36,100.84
(b) Capital Work-in-Progress	2,761.41	1,923.24	1,134.16
(c) Investment Property	2.44	2.49	
(d) Goodwill	1,654.69	1,654.69	5.54
(e) Other Intangible Assets	1,691.78	1,705.80	307.34
(f) Intangible Assets under Development	297.40	254.68	210.75
(g) Investments accounted for using the Equity Method	9,491.33	9,496.09	9,604.40
(h) Financial Assets			
(i) Other Investments	1,006.93	1,279.14	1,758.43
(ii) Trade Receivables	189.03	187.92	190.00
(iii) Loans	76.80	77.16	390.37
(iv) Finance Lease Receivables	564.54	573.47	617.63
(v) Other Financial Assets	804.73	907.68	683.41
(i) Non-current Tax Assets (Net)	150.05	146.35	110.61
(j) Deferred Tax Assets (Net)	95.01	85.18	3.20
(k) Other Non-current Assets	1,441.52	1,507.55	1,753.97
Total Non-current Assets	63,008.49	62,814.06	52,873.22
2. Current Assets			
(a) Inventories	1,861.23	1,599.56	1,373.40
(b) Financial Assets			
(i) Investments	765.15	1,097.78	335.95
(ii) Trade Receivables	4,012.89	3,832.12	3,540.24
(iii) Unbilled Revenue	1,270.42	1,081.92	842.64
(iv) Cash and Cash Equivalents	433.26	835.22	613.15
(v) Bank Balances other than (iv) above	322.47	119.08	50.01
(vi) Loans	657.55	655.44	410.27
(vii) Finance lease receivables	34.64	39.16	48.80
(viii) Other financial assets	641.48	913.40	511.49
(c) Current Tax Assets (Net)	44.66	31.68	3.00
(d) Other Current Assets	567.08	582.97	933.02
	10,610.83	10,788.33	8,661.97
Assets Classified as Held For Sale	2,373.35	1,919.47	1,122.24
Total Current Assets	12,984.18	12,707.80	9,784.21
Total Assets before Regulatory Deferral Account	75,992.67	75,521.86	62,657.43
Regulatory Deferral Account - Assets	6,288.49	6,835.70	7,161.23
TOTAL ASSETS	82,281.16	82,357.56	69,818.66
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	270.50	270.50	270.48
(b) Unsecured Perpetual Securities	1,500.00	1,500.00	1,500.00
(c) Other Equity	12,680.93	12,944.05	12,717.98
Equity attributable to Shareholders of the Company	14,451.43	14,714.55	14,488.46
Non-controlling Interests	1,926.04	1,868.99	1,749.81
Total Equity	16,377.47	16,583.54	16,238.27
Liabilities			
1. Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19,541.96	25,142.96	22,413.88
(ii) Trade Payables	37.15	35.57	33.12
(iii) Other Financial Liabilities	588.19	542.89	571.57
(b) Provisions	301.59	270.68	243.53
(c) Deferred Tax Liabilities (Net)	1,188.63	1,193.81	1,082.81
(d) Non-current Tax Liabilities (Net)	3.74	3.74	3.74
(e) Other Non-current Liabilities	3,078.21	3,086.70	3,042.88
Total Non-current Liabilities	24,739.47	30,276.35	27,391.53
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20,071.75	16,279.79	14,588.91
(ii) Trade Payables	5,183.93	5,529.00	4,401.36
(iii) Other Financial Liabilities	13,412.66	11,386.91	5,055.98
(b) Provisions	244.88	207.69	262.43
(c) Current Tax Liabilities (Net)	149.07	122.04	148.16
(d) Other Current Liabilities	1,445.93	1,316.24	1,051.64
Total Current Liabilities	40,508.22	34,841.67	25,508.48
Total Liabilities before Regulatory Deferral Account	65,247.69	65,118.02	52,900.01
Regulatory Deferral Account - Liability	656.00	656.00	680.38
TOTAL EQUITY AND LIABILITIES	82,281.16	82,357.56	69,818.66

* Restated

SIGNED FOR IDENTIFICATION
BY 
S R B C & CO LLP
MUMBAI

TATA POWER

The Tata Power Company Limited
Bombay House, 24 Homi Mody Street, Mumbai 400 001
Website: www.tatapower.com
CIN : L28920MH1919PLC000567

CONSOLIDATED SEGMENT INFORMATION

₹ crore

Particulars (Refer Notes Below)	Quarter ended			Half-Year ended		Year ended
	30-Sep-17 (Unaudited)	30-Jun-17 (Unaudited) *	30-Sep-16 (Unaudited) *	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited) *	31-Mar-17 (Audited) *
Segment Revenue						
Power Business	7,089.84	6,338.83	6,866.60	13,428.67	13,036.60	25,425.42
Others	631.35	1,041.03	511.46	1,672.38	927.01	3,205.88
Total Segment Revenue	7,721.19	7,379.86	7,378.06	15,101.05	13,963.61	28,631.30
Less: Inter Segment Revenue	328.01	660.33	93.54	988.34	107.79	797.02
Revenue/Income from Operations {including Regulatory Income/(Expenses)}	7,393.18	6,719.53	7,284.52	14,112.71	13,855.82	27,834.28
Segment Results						
Power Business	1,034.81	995.56	1,115.28	2,030.37	2,061.98	3,704.24
Others	30.71	31.14	39.10	61.85	42.16	308.96
Total Segment Results	1,065.52	1,026.70	1,154.38	2,092.22	2,104.14	4,013.20
Less: Finance Costs	(981.39)	(1,002.97)	(773.42)	(1,984.36)	(1,695.25)	(3,370.56)
Less: Exceptional Item - Power Business	(35.63)	-	-	(35.63)	-	-
Less: Exceptional Item - Unallocable Expense	(113.17)	-	-	(113.17)	-	(651.45)
Add: Unallocable Income (Net)	63.22	75.31	93.57	138.53	155.65	246.51
Profit / (Loss) Before Tax	(1.45)	99.04	474.53	97.59	564.54	237.70
Segment Assets						
Power Business	62,998.61	63,797.17	60,194.05	62,998.61	60,194.05	62,565.28
Others	4,065.36	4,063.53	3,155.96	4,065.36	3,155.96	4,116.79
Unallocable	15,217.19	14,934.29	15,472.01	15,217.19	15,472.01	15,675.49
Total Assets	82,281.16	82,794.99	78,822.02	82,281.16	78,822.02	82,357.56
Segment Liabilities						
Power Business	12,090.92	11,959.40	9,087.30	12,090.92	9,087.30	11,970.88
Others	1,373.59	1,662.15	1,047.77	1,373.59	1,047.77	1,465.82
Unallocable	52,439.18	52,392.00	52,695.56	52,439.18	52,695.56	52,337.32
Total Liabilities	65,903.69	66,013.55	62,830.63	65,903.69	62,830.63	65,774.02

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.

RECONCILIATION OF REVENUE

₹ crore

Particulars	Quarter ended			Half-Year ended		Year ended
	30-Sep-17 (Unaudited)	30-Jun-17 (Unaudited)	30-Sep-16 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited)	31-Mar-17 (Audited)
Revenue from Operations (Net)	7,657.30	6,968.62	7,213.64	14,625.92	14,056.69	27,916.72
Add/(Less): Regulatory income/(expense) (net)	(264.12)	(249.09)	(6.12)	(513.21)	(277.87)	(159.44)
Add/(Less): Regulatory income (net) in respect of earlier years	-	-	77.00	-	77.00	77.00
Total Segment Revenue as reported above	7,393.18	6,719.53	7,284.52	14,112.71	13,855.82	27,834.28

* Restated



NOTES TO THE CONSOLIDATED FINANCIAL RESULTS - Q2 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 3rd November, 2017.
2. Coastal Gujarat Power Limited (CGPL), a subsidiary of the Company has been incurring significant losses. The management of CGPL has approached the procuring states to arrive at alternative solutions to minimize the operating losses including the offer of sale of 51% shareholding in CGPL at a nominal value to procurers subject to grant of compensatory tariff to CGPL. The discussions are still at an exploratory stage with various stakeholders. Based on the review of the recoverability of the carrying amount of assets at Mundra of ₹ 15,610.14 crore and investments in coal mines and related infrastructure aggregating ₹ 8,161.44 crore no further adjustment to the carrying value is considered necessary.
3. The Group holds equity shares of Tata Teleservices Limited (TTSL) which are measured at fair value through Other Comprehensive Income. The Group has also written put options on equity shares of TTSL which have been exercised by the holder and the shares have been acquired subsequent to the end of the quarter. The changes in the fair value of these put options are recognized in the Statement of Profit and Loss. During the quarter ended 30th September, 2017, the Group has recognized a fair value adjustment of ₹ 384.88 crore through Other Comprehensive Income and ₹ 113.17 crore (31st March, 2017 - ₹ 651.45 crore) as an exceptional expense in the financial results.
4. In case of Tata Power Delhi Distribution Limited (TPDDL), the Delhi Electricity Regulatory Commission has trued up regulatory deferral account balance up to 31st March, 2016 at ₹ 2,454.10 crore as against ₹ 4,437.20 crore (net of provision) as per financial books of account. The difference is due to inter-alia partial disallowance of certain power purchase cost, provisional truing up of capital cost of plant and equipment pending physical verification and corresponding carrying cost. These disallowances have been/are in the process of being challenged and no further provision is considered necessary. During half-year ended 30th September, 2017, TPDDL has recorded an impairment of ₹ 35.63 crore against carrying value of the Rithala plant.
5. 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 ₹ 2,617.21 crore (USD 401 million). Pending requisite consents and certain approvals, the above transaction has not been concluded. These investments are included under assets classified as held for sale.
6. (a) During the quarter the Parent Company has reviewed and reassessed the classification of certain old matters pertaining to its regulated business. Consequently, the statutory appropriation reserve and investment allowance reserve created prior to the enactment of Maharashtra Electricity Regulatory Commission Tariff Regulations, 2003 amounting to ₹ 660.08 crore as at 1st April, 2016 and 31st March, 2017 have been reclassified from "other current liabilities" to "other equity". This change has no impact on the profit/loss for the period/year.
(b) The Group has recognized a deferred tax liability of ₹ 84 crore on the undistributed profits of an associate as at 1st April, 2016 and consequently the deferred tax liability as at 1st April, 2016 and 31st March, 2017 is restated. This change has no material impact on the profit/loss for the period/year.
7. (a) In its regulated operations, the Parent Company hitherto followed a practice of not recognizing regulatory asset on deferred tax liability. The Parent Company has reviewed this accounting treatment and recognized a regulatory asset of ₹ 493 crore as at 1st April, 2016 and ₹ 65 crore for the year ended 31st March, 2017 pertaining to its transmission and distribution business. In respect of generation business regulatory asset on deferred tax liability of ₹ 519 crore as at 1st April, 2016 has not been recognized pending regulatory clarity regarding the process of recovery subsequent to expiry of the Power Purchase Agreements in March 2018. This change has no material impact on the profit/loss for the period/year. In respect of a subsidiary company, the regulatory income/expense relating to the deferred tax asset/liability is reclassified from "regulatory expense" to "deferred tax (recoverable)/payable of ₹ 527.02 crore for the year ended 31st March, 2017, ₹ 377.31 crore and ₹ 18.84 crore for the quarters ended 30th September, 2016 and 30th June, 2017 respectively and ₹ 377.68 crore for the half-year ended 30th September, 2016" in line with the disclosures of the Parent Company.
(b) In the regulated operations of the Parent Company, regulatory asset on income tax expense was considered in the year of recovery. The Parent Company has reviewed the accounting treatment and recognized a regulatory asset of ₹ 286 crore as at 1st April, 2016. This change has no material impact on the profit/loss for the period/year.
(c) As per the clarifications issued by ICAI during the year, the Group reclassified income taxes paid on dividend received for which set off was allowed against the Dividend Distribution Tax (DDT) from "current tax" and "finance cost" to "other equity". The net profit is higher by ₹ 71.07 crore for the year ended 31st March, 2017, ₹ 71.07 crore and ₹ 52.38 crore for the quarters ended 30th September, 2016 and 30th June, 2017 respectively and ₹ 71.07 crore for the half-year ended 30th September, 2016.

8. Financial Information of the standalone audited financial results of the Company are as follows:

₹ crore

Particulars	Quarter ended			Half-year ended		Year ended
	30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Mar-17
Revenue from operations	1,936.10	1,926.59	1,725.12	3,862.69	3,603.69	7,237.06
Profit before rate regulated activities, exceptional items and tax	360.33	288.30	554.21	648.63	893.48	1,112.58
Profit before exceptional items and tax	244.83	290.80	627.21	535.63	846.48	1,176.58
Profit/(Loss) before tax	131.66	290.80	627.21	422.46	846.48	525.13
Profit/(Loss) after tax	50.32	216.31	496.33	266.63	663.24	392.44
Other Comprehensive Income/(Expenses) net of tax	(286.42)	(2.48)	(150.44)	(288.90)	(145.20)	(121.20)
Total Comprehensive Income	(236.10)	213.83	345.89	(22.27)	518.04	271.24
Paid-up equity share capital (Face Value: ₹ 1/- per share)	270.50	270.50	270.48	270.50	270.48	270.50
Total Reserves (includes fair value adjustment on adoption of Ind AS on transition date and thereafter)						16,297.14

9. Figures for the previous periods/year are re-classified/re-arranged/re-grouped, wherever necessary.

10. The standalone audited financial results of the Company are available for Investors at www.tatapower.com, www.nseindia.com and www.bseindia.com.

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


ANIL SARDANA
CEO & Managing Director

Date: 3rd November, 2017.



Limited Review Report**Review Report to
The Board of Directors
The Tata Power Company Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of The Tata Power Company Limited Group comprising The Tata Power Company Limited (the 'Company') and its subsidiaries (together referred to as 'the Group'), its joint ventures and associates as listed in Annexure I, for the quarter ended September 30 2017 and year to date from April 1, 2017 to September 30, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard for 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, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review 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 company 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.
4. Based on our review conducted as above and on consideration of reports of other auditors on the unaudited separate quarterly financial results and on the other financial information of the subsidiaries / associates / joint ventures, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI 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.
5. We did not review the financial statements and other financial information, in respect of 5 subsidiaries, whose financial statements include total assets of Rs. 9,423.29 crores as at September 30, 2017 and total revenues of Rs. 2,155.01 crores and Rs. 4,050.29 for the quarter and the period ended on that date. These financial statements and other financial information have been reviewed by other auditors, whose financial statements, other financial information and review reports have been furnished to us. The consolidated financial results also include the Group's share of net profit of Rs. 399.94 crores and Rs. 758.80 crores for the quarter and for the period ended September 30, 2017, as considered in the consolidated financial results, in respect of 12 associates and joint ventures, whose financial statements, other financial information have



S R B C & C O L L P

Chartered Accountants

The Tata Power Company Limited

Page 2 of 4

been reviewed by other auditors and whose reports have been furnished to us. Our conclusion, in so far as it relates to the affairs of such subsidiaries, joint ventures and associates is based solely on the report of other auditors. Our conclusion is not modified in respect of this matter.

6. The comparative financial information of the Company for the immediately preceding quarter ended June 30, 2017, corresponding quarter and half year ended September 30, 2016 and the year ended March 31, 2017, were audited by predecessor auditor who expressed a modified opinion on those financial information/financial statements on August 14, 2017, November 29, 2016 and May 19, 2017 respectively.
7. We reviewed the adjustments, as fully described in note 6 and 7 to the Statement, which have been made to the comparative financial information presented for the periods prior to quarter ended September 30, 2017. In our opinion, such adjustments are appropriate and have been properly applied.

For S R B C & C O L L P

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Sudhir Soni
Partner

Membership No.: 41870

Place: Mumbai

Date: November 3, 2017



Annexure – I to Limited Review Report

No	Name of Entities	Country of Incorporation
A Subsidiaries (Direct)		
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 Subsidiaries (Indirect)		
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 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	Walwhan Solar Energy GJ Limited	India
17	Walwhan Solar Raj Limited	India
18	Walwhan Solar BH Private Limited	India
19	Walwhan Solar MH Limited	India
20	Walwhan Wind RJ Limited	India
21	Walwhan Solar AP Private Limited	India
22	Walwhan Solar KA Limited	India
23	Walwhan Solar MP Limited	India
24	Walwhan Solar PB Limited	India

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S R B C & CO LLP

Chartered Accountants

The Tata Power Company Limited

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No	Name of Entities	Country of Incorporation
25	Walwhan Energy RJ Limited	India
26	Walwhan Solar TN Limited	India
27	Walwhan Solar RJ Limited	India
28	Walwhan Urja Anjar Limited	India
29	Chirasthayee Saurya Limited	India
30	Nelco Network Products Limited	India
31	Vagarai Windfarm Limited	India
32	Walwhan 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	Cennerg (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

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





Ratings

Rating Rationale

October 05, 2017 | Mumbai

The Tata Power Company Limited

'CRISIL A1+' assigned to CP programme

Rating Action

Total Bank Loan Facilities Rated	Rs.13805.35 Crore
Long Term Rating	CRISIL AA-/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)

Rs.3000 Crore Commercial Paper Programme	CRISIL A1+ (Assigned)
Non Convertible Debentures Aggregating Rs.1564 Crore (Reduced from Rs.1605 Crore)	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

Detailed Rationale

CRISIL has assigned its '**CRISIL A1+**' rating to the commercial paper programme of The Tata Power Company Limited (Tata Power) and reaffirmed its ratings on the existing bank facilities and debt programmes of the company at 'CRISIL AA-/Stable/CRISIL A1+'. 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-/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 Walwhan Renewable Energy Pvt Ltd [earlier known as Welspun Renewables Energy Pvt Ltd (WREPL), rated 'CRISIL AA-/Stable'] 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; transmission subsidiary Powerlinks Transmission Ltd (PTL; 'CRISIL AAA/Stable/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/Provisional CRISIL A1+(SO)/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 Suksessarana Tbk, and both these companies are under a common management.

Key Rating Drivers & 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 WREPL 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 1266 crore on a consolidated basis as on June 30, 2017. 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 WREPL 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, 2017, 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 3.2 times, primarily due to large debt of Rs 48,619 crore, as on June 30, 2017 and thereby weakening the company's financial risk profile. The WREPL 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 sale of non-core investments or equity infusion 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 5,500 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

* 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

* Material delay in equity infusion or sale of non-core investments to replace bridge financing debt of Rs 3500 crore

* 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 d'investissement et placement du Qu'bec, Canada, Kuwait Investment Authority, Kuwait and State General Reserve Fund of the Sultanate of Oman.

For first three months of fiscal 2018, Tata Power, on a consolidated basis, had a net profit of Rs 164 crore on total income of Rs

6,725 crore, against a net profit of Rs 72 crore on total income of Rs 6,566 crore over the corresponding period of the previous fiscal.

Key Financial Indicators-Tata Power Consolidated

Particulars	Unit	2017 [^]	2016 [^]
Revenue	Rs cr	28,099	29,592
Profit After Tax	Rs cr	949	786
PAT margin	%	3.38	2.66
Adjusted Debt/Adjusted networkth	Times	3.22	2.61
Interest coverage	Times	2.11	1.98

[^]Reported as per Ind-AS

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. 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
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
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
INE245A07390	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	Commercial Paper Programme	NA	NA	7-365 days	3000	CRISIL A1+
NA	Cash credit and working capital demand loan	NA	NA	NA	2,240	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	38.01	CRISIL AA-/Stable
NA	Term loan-2	NA	NA	16-Feb-29	1,211.25	CRISIL AA-/Stable
NA	Term loan-3	NA	NA	30-Sept-25	280	CRISIL AA-/Stable
NA	Term loan-4	NA	NA	Jan-23	109	CRISIL AA-/Stable
NA	Term loan-5	NA	NA	30-Mar-28	500.94	CRISIL AA-/Stable
NA	Term loan-6	NA	NA	30-Mar-26	2,000	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	17.61	CRISIL AA-/Stable
NA	Rupee term loan-2	NA	NA	18-Feb-29	1,172.95	CRISIL AA-/Stable
NA	Proposed cash credit limit	NA	NA	NA	1,260.59	CRISIL AA-/Stable

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

Annexure - Rating History for last 3 Years

Instrument	Current			2017 (History)		2016		2015		2014		Start of 2014
	Type	Quantum	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	3000	CRISIL A1+		--		--		--		--	--
Non Convertible Debentures	LT	1564	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	2240	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	4370	CRISIL A1+
Proposed Cash Credit Limit	1260.59	CRISIL AA-/Stable	Proposed Cash Credit Limit	347.65	CRISIL AA-/Stable
Rupee Term Loan	1190.56	CRISIL AA-/Stable	Rupee Term Loan	1507.55	CRISIL AA-/Stable
Term Loan	4744.2	CRISIL AA-/Stable	Term Loan	4780.15	CRISIL AA-/Stable
Total	13805.35	--	Total	13805.35	--

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](#)

The Tata Power Company Limited

September 11, 2017

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Perpetual Bond	1,500	CARE AA; Stable [Double A; Outlook: Stable]	Reaffirmed
Hybrid Bond	1,500	CARE AA; Stable [Double A; Outlook: Stable]	Reaffirmed
Non-Convertible Debentures	2,210	CARE AA; Stable [Double A; Outlook: Stable]	Reaffirmed

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to long-term debt instruments of The Tata Power Company Limited (TPCL) factors in the company's strong market position as an integrated power player, stable cash flows and high financial flexibility it enjoys by virtue of being a part of the Tata group. The rating strengths are, however, tempered by Tata Power's moderate financial risk profile as a result of high levels of consolidated debt, stress on financial risk profile on account of unfavourable verdict of the Hon. Supreme Court and the continuing losses at Coastal Gujarat Power Limited and delay in the realisation of funds from stake sale in PT Arutmin Indonesia coal mine.

The rating continues to derive strength from Tata Power's strong position as an integrated power company as reflected by its significant presence in the generation, transmission and distribution space. Its cash flows from core licensed operations are stable due to the regulated nature of the business. About 45% of Tata Power's generation capacity of 10,463 MW (as on March 31, 2017) is operated either under cost plus regime or on a captive basis with strong counterparties which translates in stable earnings visibility and limits the risk faced by the company due to volatility in fuel prices. A similar assured return on equity model exists in its transmission and distribution business lending stability to the company's cash flows. With the acquisition of Welspun Renewable Energy Private Limited's (WREPL) assets, the company has steady cash flows from the renewable assets which will add to the diversity of revenues of the company.

The company has strong financial flexibility as reflected in its ability to raise funds through equity or asset sales. Furthermore, sale of investment in coal mines when crystallised is expected to be utilised to prepay debt. The company has investments in certain Tata Group companies that can be sold, if required, to enhance liquidity.

Tata Power's ownership interest in Indonesian coal entities provides partial hedge, to an extent, in case of adverse fuel price movement.

The commissioning of Mundra Ultra Mega Power Project (Mundra UMPP) [under Coastal Gujarat Power Limited (CGPL)], led to increased revenue contribution from the non-licensed operations wherein the fuel cost is partially pass-through. The changes in coal export regulations of Indonesia adversely impacted the economics of the project resulting in continued losses. The Honourable Supreme Court through its judgement passed in April 2017, set aside the previous favorable order of APTEL. Furthermore, the apex court has clarified that changes in the cost of fuel or the agreement becoming onerous to perform, are not treated as force majeure events under the PPA and thus disposed of the submission for relief under the force majeure clause. The order inhibits the company's ability to recover the past under recoveries as well as get a favourable compensatory tariff for the project exerting stress on the financial risk profile of the company.

The consolidated borrowings of Tata Power continued to be high owing to debt taken to fund its projects and support high level of regulatory assets. The total consolidated debt of the company stood at Rs.48,820 crore at the end of March 31, 2017 as against that of Rs. 40,121 crore as at March 31, 2016, resulting in increase in overall gearing ratio. The company intends to replace a portion of the acquisition related debt by equity in the near term thereby mitigating any adverse impact on the capital structure.

Raising of equity capital as envisaged for replacing a portion of the acquisition related debt, timely monetization of non-core assets, execution of the PT Arutmin stake sale process, time-bound liquidation of regulatory assets and any adverse impact on financial leverage remain the key rating sensitivities.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications.

Detailed description of the key rating drivers

Key Rating Strengths

Established parentage; strategic importance to the Tata Group: TPCL is one of the largest integrated power players in the country and caters to captive power requirement of other companies within the Tata Group. TPCL is a part of the Tata Group with Tata Sons Limited holding 31.05% stake in TPCL as at June 30, 2017. The group comprises over 100 operating companies, in various key business sectors such as steel, auto, communications & information technology, engineering, materials, services, energy, consumer products and chemicals. The group has operations in more than 80 countries across six continents and exports products and services to 85 countries. By virtue of being part of the Tata Group, the company enjoys high level of financial flexibility.

Stable cash flows from the company's core licensed operations: TPCL operates about 45% of its total generation capacity either under a cost plus regime or on a captive basis with strong counterparties that translates into stable earnings visibility and limits the risk faced by the company due to volatility in fuel prices. A similar assured return on equity model exists in its transmission and distribution business lending stability to the company's cash flows. However, any regulatory delay in receiving tariff orders, disallowance of immediate pass-through of expenses leading to creation of regulatory assets does call for stop gap funding arrangements. Ownership interest in Indonesian coal mines acts as a partial hedge to an extent to counter adverse fuel price movement.

Key Rating Weaknesses

Stressed financial risk profile: Coastal Gujarat Power Ltd (CGPL, the subsidiary for Mundra UMPP) entered into PPA with 5 state utilities [Gujarat (1805 MW), Maharashtra (760 MW), Punjab (475 MW), Haryana (380 MW) and Rajasthan (380 MW)] for a period of 25 years for a levelised tariff of Rs.2.26 per KWh, with only a partial pass through (45%) of fuel cost thereby exposing the company to fuel price risk. The Hon. Supreme Court through its judgement passed in April 2017, set aside the previous favorable order of APTEL and thus disposed off the submission for relief under the force majeure clause. The order inhibits the company's ability to recover the past under recoveries as well as get a favourable compensatory tariff for the project exerting stress on the financial risk profile of the company.

Highly leveraged capital structure: The total consolidated debt of the company stood at Rs.48,820 crore at the end of March 2017 as against that of Rs. 40,121 crore as at March 31, 2016, resulting in increase in overall gearing ratio. The capital structure of TPCL is highly leveraged as the company has already raised bonds of Rs.3,500 crore in relation to the acquisition of WREPL. Furthermore, debt of around Rs.5,500 crore in the books of WREPL has been added to the consolidated debt of TPCL, thereby weakening its capital structure. The capital structure is expected to stabilise subsequent to the infusion of equity or through monies realized from sale of non-core assets. Liquidation of accumulated regulatory assets and monetization of non-core assets would be crucial for Tata Power to improve the leverage position of the company.

Analytical approach: Consolidated

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology: Factoring Linkages in Ratings](#)

[Rating Methodology - Infrastructure Sector Ratings](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology - Private Power Producers](#)

About the Company

Incorporated in 1919, TPCL is an integrated power utility company and one of the major companies of the Tata group. TPCL is one of the largest private integrated power companies in India with presence across the entire power value chain – covering power generation, transmission, distribution and trading and fuel and logistics. On a consolidated basis, as at March 31, 2017, the company had an installed generation capacity of 10,463 MW (up from 9,184 MW as at March 31, 2016) based on various fuel sources: thermal, hydroelectric power and other renewable energy. TPCL also has businesses of power transmission and power distribution in Mumbai and power distribution in Delhi (through Tata Power Delhi Distribution Company Limited (TPDDL, in which TPCL holds 51%)).

In addition, TPCL also has a strategic investment in coal assets through a 30% stake in Indonesian thermal coal companies – PT Kaltim Prima Coal and 26% stake in PT Baramulti Suksessarana Tbk. The investment is part of TPCL's strategy to ensure fuel security for its thermal power projects.

During FY17 (refers to the period April 1 to March 31), TPCL reported a total income of Rs.28,373 crore and Profit after tax of Rs.949 crore compared with the total income of Rs.30,168 crore and profit after tax of Rs.786 crore in FY16.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	30168.28	28373.27
PBILDT	6,176.39	5,287.33
PAT	786.39	948.56
Overall gearing (times)	2.67	3.29
Interest coverage (times)	1.91	1.70

A: Audited

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

Name: Pawan Matkari

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bonds-Perpetual Bonds	June 02, 2011	11.50%	Perpetual	1500.00	CARE AA; Stable
Debentures-Non Convertible Debentures	August 21, 2012	11.40%	August 21, 2072	1500.00	CARE AA; Stable
Debentures-Non Convertible Debentures	December 28, 2012	9.40%	December 28, 2022	210.00	CARE AA; Stable
Debentures-Non Convertible Debentures	November 17, 2014	-	November 11, 2019	1500.00	CARE AA; Stable
Debentures-Non Convertible Debentures	January 12, 2016	SBI base rate + 11 bps	January 12, 2023	500.00	CARE AA; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Debentures-Non Convertible Debentures	-	-	-	-	-	-	-
2.	Bonds-Perpetual Bonds	LT	1500.00	CARE AA; Stable	-	1)CARE AA; Stable (03-Feb-17) 2)CARE AA (14-Jul-16)	1)CARE AA (19-Nov-15)	1)CARE AA (13-Jan-15) 2)CARE AA (10-Nov-14)
3.	Debentures-Non Convertible Debentures	LT	1500.00	CARE AA; Stable	-	1)CARE AA; Stable (03-Feb-17) 2)CARE AA (14-Jul-16)	1)CARE AA (19-Nov-15)	1)CARE AA (13-Jan-15) 2)CARE AA (10-Nov-14)
4.	Debentures-Non Convertible Debentures	LT	210.00	CARE AA; Stable	-	1)CARE AA; Stable (03-Feb-17) 2)CARE AA (14-Jul-16)	1)CARE AA (19-Nov-15)	1)CARE AA (13-Jan-15) 2)CARE AA (10-Nov-14)
5.	Debentures-Non Convertible Debentures	LT	1500.00	CARE AA; Stable	-	1)CARE AA; Stable (03-Feb-17) 2)CARE AA (14-Jul-16)	1)CARE AA (19-Nov-15)	1)CARE AA (13-Jan-15) 2)CARE AA (10-Nov-14)
6.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA; Stable	-	1)CARE AA; Stable (03-Feb-17) 2)CARE AA (14-Jul-16)	1)CARE AA (08-Jan-16)	-

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Tel: +91-20- 4000 9000

E-mail: pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691



R P MEHTA & ASSOCIATES

CHARTERED ACCOUNTANTS

B / 204, SONAL CLASSIC, BHARDA WADI ROAD, OFF J. P. ROAD, ANDHERI (WEST), MUMBAI - 400 058.
TEL.: 022 - 26774315 • TELEFAX : 022-26774316 • E-MAIL : rpmehtaassociates@yahoo.com

Certificate No: TTPCL / 5 / 2017-18

CHARTERED ACCOUNTANT'S CERTIFICATE ON RATIOS

1. We, M/s R P Mehta & Associates, Chartered Accountants (Firm Registration No: 133048W) having our office at B-204, Sonal Classic, Bhardawadi, Off J P Road, Andheri West, Mumbai-400 058 are the Firm of Practicing Chartered Accountants appointed by The Tata Power Company Limited ("the Company") having its Registered Office at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400001, have examined the audited unconsolidated books of account and other relevant records and documents of the Company, for the period ended and as at 30th September, 2017 for the purpose of issuing this certificate.
2. We have been requested by the management of the Company to provide a certificate on the attached Annexure 1 "Computation of Assets Cover Ratio as at 30th September, 2017" containing information regarding assets cover ratio computed as per the Debenture Trust Deeds for submission to the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) as per listing agreements for debt securities issued by Securities Exchange Board of India (SEBI), duly stamped and initialled for identification, which has been prepared by the Company based on the audited unconsolidated books of account and other relevant records and documents maintained at Company for the period ended 30th September, 2017.
3. The Management of the Company is responsible for ensuring compliance with the requirements of the Debenture Trust Deeds, maintenance of proper books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant to the preparation of Annexure 1 that is free from material misstatement, whether due to fraud or error.
4. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in Annexure 1 on the basis of the audited unconsolidated books of account and other relevant records and documents maintained by the Company for the period ended and as at 30th September, 2017. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India, which include the concept of test checks and materiality.



5. On the basis of examination of audited unconsolidated books of account and other relevant records maintained by the Company for the period ended and as at 30th September, 2017 and according to the information and explanations provided to us, we certify that the figures contained in Annexure 1 read with the notes to the Annexure have been correctly derived from the audited unconsolidated books of account and other relevant records of the Company for the period ended and as at 30th September, 2017.

6. This certificate is being issued at the request of the Company to be submitted to NSE and BSE as per listing agreements for debt securities issued by SEBI and should not be used for any other purpose without our prior written consent.

**For R P Mehta & Associates
Chartered Accountants
(FRN 133048W)**



**CA Rajesh P Mehta
Partner
(Membership No. 037540)**



MUMBAI, 03rd November, 2017



The Tata Power Company Limited

Annexure 1

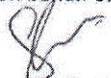
Computation of Assets Cover Ratio as on 30th Sep, 2017

Particulars	Rs Crore
A. Combined Secured Assets	
Written Down Value of Fixed Assets (Tangible assets)	8,015.85
Less: Furniture and Fixtures and Office Equipment	(44.46)
Less: Motor Vehicles, Launches, Barges, etc	(28.13)
Less: Helicopters	(8.33)
Add: Freehold land classified as " Held for Sale"	9.72
Capital work-in-progress	810.83
Less: Revaluation of assets (net)	(222.32)
Less: Secured Asset of Windmills (refer note 2)	(931.49)
Less: Capital work-in-progress-Windmills	(0.02)
Combined Secured Assets (A)	7,601.64
B. Combined Secured Loans	
Total Secured Loan	6482.13
Less:9.15% Secured, Redeemable Non Convertible Debentures (refer note 2)	(175.00)
Less:9.15% Secured Redeemable Non Convertible Debentures (refer note 2)	(138.00)
Less: Industrial Renewable Energy Development Agency (refer note 2)	(17.62)
Less: Asian Development Bank (refer note 2)	(38.01)
Combined Secured Loans (B)	6,113.50
Assets Cover Ratio (refer note 1 & 2) (A/B)	1.24

Notes:

- Assets Cover Ratio has been computed on the basis of clause no. 27 (C) of the Debenture Trust Deeds dated 10th November, 2004 and clause no. 30 (C) of the Debenture Trust Deed dated 15th July, 2008 read with supplemental trust deed dated 8th June, 2012, executed by the Company with the Debenture Trustee (Central Bank of India) and clause no. 12.4 of the Debenture Trust Deed dated 21st March, 2013, executed by the Company with the IDBI Trusteeship Services Limited.
- Assets and secured loans in respect of windmills have been excluded as these assets have been secured against the specific loans.

For and on behalf of The Tata Power Company Limited


 Soundararajan Kasturi
 Chief- Corporate Treasury & Investor Relations
 Date: 30 Nov, 2017



R. Mehta

3/11/2017

TATA POWER

The Tata Power Company Limited

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

Tel: 91 22 6717 1000 Fax: Corporate Accounts 91 22 6717 1500

Registered Office: Bombay House 24 Homi Mody Street, Mumbai 400 001

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



The Tata Power Company Limited

Statement A

(Rs. Cr)

Sr. No.	ISIN No.	Debenture Series	Outstanding as on 30.09.2017	Last Due Date		Paid on or before due date	Next Principal Amount	Next Interest Amount	Next due date falling after 30.09.2017	
				Principal	Interest				Principal	Interest
1	INE245A07424	9.40% Secured, Redeemable Non Convertible Debentures	210	-	28-Dec-16	Yes	210	19.74	28-Dec-22	28-Dec-17

For The Tata Power Company Limited

Soundararajan Kasturi
Chief-Corporate Treasury & IR

November 3, 2017

TATA POWER

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 Email : tatapower@tatapower.com CIN : L28920MH1919PLC000567

No.6130/ITSL/OPR/2017-18

November 3, 2017

To,

Mr. Arun Viswanathan

Group Head - Treasury

The Tata Power Company Limited

Corporate Center B, 34, Sant Tukaram Road,

Carnac Bunder, Mumbai - 400009.

Sub: Letter of Debenture Trustee pursuant to Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015)

Dear Sir,

This has reference to the privately placed Secured/Unsecured Redeemable, Non-Convertible Debentures issued by The Tata Power Company Limited ("Issuer") wherein IDBI Trusteeship Services Limited is acting as the Debenture Trustee and listed on the Bombay Stock Exchange (BSE)/ National Stock Exchange (NSE) ("Listed Debt Securities").

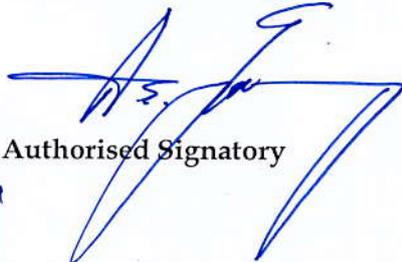
Pursuant to Regulation 52(4) read with Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the Issuer is required to submit the documents required there along with its half yearly/annual financial results to the Stock Exchange, with a letter of the Debenture Trustee (IDBI Trusteeship Services Limited) that the Debenture Trustee has noted the contents furnished by the Issuer as per Regulation 52(4).

In pursuance thereof we hereby confirm that we have received the aforesaid information through your letter dated November 3, 2017 and we have noted the contents provided therein.

Thanking You,

Yours faithfully

For IDBI Trusteeship Services Limited



Authorised Signatory

PH