



29th March 2018
BJ/SH-L2/

BSE Ltd.
Corporate Relationship Dept.
1st Floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort
Mumbai 400 001
Scrip Code: 500400

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra-Kurla Complex,
Bandra (East)
Mumbai 400 051
Symbol: TATAPOWER EQ

Dear Sirs,

Sale of Strategic Engineering Division (SED) to Tata Advanced Systems Limited (TASL)

The Company has today approved sale of its Strategic Engineering Division (SED) to Tata Advanced Systems Limited (TASL) (a wholly owned subsidiary of Tata Sons Limited (Tata Sons) and a related party under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) as a 'going concern' on a slump sale basis by way of Scheme of Arrangement through National Company Law Tribunal (NCLT) under Sections 230 to 232 (and other applicable provisions) of the Companies Act, 2013, subject to execution of the relevant agreement(s) with TASL, the requisite approval of shareholders of the Company, BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Securities and Exchange Board of India (SEBI), NCLT and such other relevant statutory and regulatory authorities, as may be required.

In terms of Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the required disclosures, as prescribed vide SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015, are made hereunder:

Sl. No.	Particulars	Description
a.	the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	The turnover and net worth of SED for FY17 is as under: <ul style="list-style-type: none">• Turnover – Rs. 532 crore which is 1.9% of consolidated turnover of the Company.• Net Worth – Rs. 538 crore which is 3.5% of consolidated net worth of the Company.
b.	date on which the agreement for sale has been entered into	The Company is in process of signing the relevant agreement(s) with TASL. The Company shall communicate upon execution of the same.
c.	the expected date of completion of sale/disposal	The date of completion of transaction is subject to approval by NCLT and such other relevant statutory and regulatory authorities, as may be required.
d.	consideration received from such sale/disposal	Enterprise Value of Rs. 2,230 crore (out of which Rs 1,040 crore payable at the time of closing and Rs. 1,190 crore subject to achieving certain milestones).
e.	brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof	The buyer is TASL TASL is wholly owned subsidiary of Tata Sons Limited which is promoter company of the Company.

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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



f.	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Yes. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transaction is at arm's length.
g.	additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale:	
	i. name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;	<p>The Company (being the "Transferor Company") is engaged in the business of generation, transmission and distribution of electricity. The Company, together with all its subsidiaries and jointly controlled entities, has an installed generation capacity close to 10,700 MW and registered consolidated turnover of ~ ₹ 27,882 crore in FY2017.</p> <p>The SED (a division of the Company) is a non-core business unit involved in defence engineering, manufacturing and assembling of critical defence systems of strategic importance like missile launchers, electronic warfare and gun systems, etc.</p> <p>TASL (being the "Transferee Company") is a wholly owned subsidiary of Tata Sons Limited, focused on providing integrated solutions for Aerospace, Defence and Homeland Security. In less than a decade, TASL has become a significant player in the global aerospace market, becoming the premier Indian manufacturing partner for global OEMs, including Boeing, GE, Airbus Group, Sikorsky Aircraft Corporation, Lockheed Martin Aeronautics, Pilatus Aircraft Ltd, Cobham Mission Equipment, as well as supplying to the Government of India's Defence Research & Development Organisation and Indian Navy and Indian Airforce. It has capabilities throughout the entire aerospace value chain from design to full aircraft assembly, and is well positioned in areas that include missiles, radars, unmanned aerial systems, command and control systems and homeland security.</p>
	ii. whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Yes. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transaction is at arm's length.



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iii. area of business of the entity(ies)	<p>The Company (being the "Transferor Company") is engaged in the business of generation, transmission and distribution of electricity. The SED (a division of the Company) is a non-core business involved in defence engineering, manufacturing and assembling of critical defence systems of strategic importance like missile launchers, electronic warfare and gun systems, etc.</p> <p>TASL is focused on providing integrated solutions for Aerospace, Defence and Homeland Security. TASL is a premier Indian manufacturing partner for global OEMs, including Boeing, GE, Airbus Group, Sikorsky Aircraft Corporation, Lockheed Martin Aeronautics, Pilatus Aircraft Ltd, Cobham Mission Equipment, as well as supplying to the Government of India's Defence Research & Development Organisation and Indian Navy and Indian Airforce. It has capabilities throughout the entire aerospace value chain from design to full aircraft assembly, and is well positioned in areas that include missiles, radars, unmanned aerial systems, command and control systems and homeland security.</p>
iv. rationale for amalgamation/ merger	<p>The Company proposes to exit its non-core defence engineering business in order to enable the management to focus on the core business of generation, transmission and distribution of electricity. TASL, whose core business is production of systems, sub-systems and solutions used in the aerospace and defence industry, wishes to acquire this non-core defence business of the Transferor Company. The proposed transaction is by way of slump sale.</p>
v. in case of cash consideration amount or otherwise share exchange ratio	<p>Enterprise Value of Rs 2,230 crore (out of which Rs 1,040 crore payable at the time of closing and Rs. 1,190 crore subject to achieving certain milestones).</p>
vi. brief details of change in shareholding pattern (if any) of listed entity	<p>Not applicable as no shares will be issued pursuant to the transfer of SED to TASL.</p>

Yours faithfully,
For The Tata Power Company Limited

Company Secretary