

Tata Power completes sale of Defense business to Tata Advanced Systems Limited

Mumbai, 2nd November, 2020: The Tata Power Company Limited has completed the sale of its Defense business on 31st October, 2020 to Tata Advanced Systems Limited, a wholly owned subsidiary of Tata Sons Pvt. Ltd. The sale was completed as per a Scheme of Arrangement, which was approved by National Company Law Tribunal at Mumbai and Hyderabad in December'19 & March'20 respectively.

The Company is expected to receive Enterprise Value of Rs. 1,076 crore as upfront payment (Rs. 1,040 crore as per Agreements which was revised in line with closing adjustments). Balance consideration is subject to completion of achieving certain milestones specified in the agreements.

The sale of Defence business is part of the Company's ongoing strategic plan to monetize its non-core assets and reduce overall leverage.

“Sale of Defence business is in line with our commitment to divest non-core assets & businesses” said Mr. Praveer Sinha, CEO & Managing Director, Tata Power. “The sale proceeds will help the Company to reduce leverage and increase focus in the core business areas like renewable generation, distribution and new service-led businesses which will bring greater value for our shareholders”.

Strategic Engineering Division (SED) is a non-core defence electronics division of the Company, engaged in business of indigenous design, development, production, integration, supply and life cycle support of mission critical defence systems. The key products include manufacturing and assembling missile launchers, electronic warfare, night vision systems and gun systems. The division has been awarded programs of national importance such as (i) Missile Launchers: Pinaka MBRL / Akash Launchers for Army & Air Force (AAFL & AAL) / Strategic Missile Launcher / MR-SAM Launchers, (ii) Electronic Warfare (iii) Modernization of Airfield Infrastructure (MAFI). SED has three dedicated manufacturing units viz. Bangalore Electronic City, Vemagal in Karnataka (under construction) and a SEZ near Bengaluru (under construction).

About Tata Power:

Tata Power is India's largest integrated power company and, together with its subsidiaries & jointly controlled entities, has an installed/ managed capacity of 12,742 MW. A pioneer in the field, it has a presence across the entire power value chain - generation of renewable as well as conventional power including hydro and thermal energy, transmission & distribution, trading and coal & freight logistics. With nearly 2.6GW of renewable energy assets in solar and wind accounting for 30% of the company's portfolio, Tata Power is a leader in clean energy generation. In line with the company's view on sustainable and clean energy development, Tata Power is steering the transformation of utilities to integrated solutions by looking at new business growth in EV charging & storage, distributed generation & rooftops, micro grids and home automation & smart meters. It has successful public-private partnerships in generation, transmission & distribution in India, namely 'Tata Power Delhi Distribution Ltd.' with Delhi Vidyut Board for distribution in North Delhi; 'Tata Power Ajmer Distribution Ltd.' with Ajmer Vidyut Vitran Nigam Ltd. for distribution in Ajmer; 'Powerlinks Transmission Ltd.' with Power Grid Corporation of India Ltd. for evacuation of Power from Tala hydro plant in Bhutan to Delhi; 'Maithon Power Ltd.' with Damodar Valley Corporation for a 1050 MW Mega Power Project at Jharkhand. Tata Power is serving more than 2.6 million distribution consumers in India and has developed the country's first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology.

With its 105 years track record of technology leadership, project execution excellence, world-class safety processes, customer care and driving green initiatives, Tata Power is poised for multi-fold growth and committed to 'lighting up lives' for generations to come.

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