



4<sup>th</sup> January 2023  
BJ/SH-L2/

BSE Limited  
Corporate Relationship Department  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Bldg., P. J. Towers,  
Dalal Street, Fort,  
Mumbai 400 001.  
Scrip Code: 500400

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

Dear Sirs,

**Order of Central Electricity Regulatory Commission in respect of  
the Mundra Plant of the Company**

This is to inform you that the Company has received Order dated 3<sup>rd</sup> January 2023 from Central Electricity Regulatory Commission (CERC) in connection with the directions issued by Ministry of Power ("MoP") on 5.5.2022 under Section 11 of the Electricity Act, 2003 ("the Act") to Imported Coal Based Plants ("ICB Plants"), including to the Mundra Plant of the Company. Copy of the Order can be accessed at [https://cercind.gov.in/recent\\_orders.html](https://cercind.gov.in/recent_orders.html).

On 05.05.2022, MoP issued directions under Section 11(1) of the Act to ICB Plants including Mundra Plant, to operate and generate power at full capacity. Consequently, the Company filed petition before CERC under Section 11(2) of the Act to ensure full pass through of costs without any adverse financial impact of the aforesaid Directions. Below are the key material findings of the aforesaid order:

Sl. No.	Issues	Summary of findings
a.	Whether the Petitioner (the Company) is entitled for fixed charges as per the PPA or the rate paid prior to the issue of the directions under Section 11(1) of the Act?	After issue of the Section 11 directions, the full fixed cost of 90 paise/kWh to be provided by the Company and, therefore, all fixed charges are payable in full by all the procurers.
b.	Whether the Procurers who are not availing power are required to pay the fixed charges and open the required LC?	PPA holders who are not scheduling power from the generating station of the Petitioner shall be liable to pay the full capacity charges and shall be entitled for sharing of profit in case sale of their share of power in the Power Exchanges fetches profit. The procurers who are not scheduling power from the Petitioner during the operation of Section 11 directions shall be required to maintain LC commensurate with the fixed charges for one week for their contracted power. Thereby they are liable to pay full capacity charges.
c.	How the energy charge shall be computed during the operation of Section 11 directions?	Benchmarking of coal exported from Indonesia to be linked to the appropriate HPB price based on HBA index or actuals, whichever is lower.
d.	Whether the mining profit shall be shared by the Petitioner while determining the adverse financial impact and to what extent?	On the issue of Mining Profits, CERC has stated that generating plant using imported coal, from its coal mines in Indonesia. The incremental profits shall be shared to the extent of its ownership in the coal mines. Incremental Mining Profit shall be passed on

**TATA POWER**

The Tata Power Company Limited

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		to the Procurers on the basis of coal supplied to Mundra Plant for generation and supply of electricity. Since TPCL has 30% stake in KPC, the profit to be shared shall be considered to the extent of 30% after payment of all taxes and charges. Mining Profit shall be suitably adjusted in the ECR.
e.	Operational Parameters	CERC has held that supply of power under Section 11 directions has to cover the variable cost of generation and a reasonable margin as per the Appellate Tribunal's judgement. The operational parameters for computation of ECR shall be lower of the actuals or as per Tariff Regulations, 2009.

Based on the CERC order, the tariff (capacity charge and ECR) would be computed and claimed from the beneficiaries.

The above disclosure is made in terms of the Regulation 30 read with Schedule III to the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and SEBI Circular dated 9<sup>th</sup> September 2015. For detailed findings, please refer to the order.

We request you to take the same on record.

Thanking you,

Yours faithfully,  
**For The Tata Power Company Limited**

(H. M. Mistry)  
Company Secretary

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