



Letter of Offer
[•], 2014
For our Eligible Equity Shareholders only

THE TATA POWER COMPANY LIMITED

Our Company was incorporated by way of a certificate of incorporation dated September 18, 1919 under the provisions of the Indian Companies Act, VII of 1913 with Registration No. 11-00567. Our Company has been allotted Corporate Identity Number L28920MH1919PLC000567.

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

Corporate Office: Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009, India

Tel: +91 22 6665 8282; **Fax:** +91 22 6665 8801 **Contact Person and Compliance Office:** Mr. H. M. Mistry, (Company Secretary)

E-mail: investorcomplaints@tatapower.com **Website:** www.tatapower.com

PROMOTER OF OUR COMPANY

TATA SONS LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE TATA POWER COMPANY LIMITED ("COMPANY" OR "ISSUER") ONLY

ISSUE OF 33,22,30,130 EQUITY SHARES WITH A FACE VALUE OF ₹1 EACH ("EQUITY SHARES") FOR CASH AT A PREMIUM OF ₹ 59 PER EQUITY SHARE FOR AN AGGREGATE AMOUNT OF ₹ 60 ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF 7 EQUITY SHARE(S) FOR EVERY 50 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON MARCH 20, 2014 (THE "ISSUE"). THE ISSUE PRICE IS 60 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" ON PAGE 161 OF THIS LETTER OF OFFER.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and Investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, Investors must rely on their own examination of the Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. **Investors are advised to refer to the section "Risk Factors" on page XV of this Letter of Offer before making an investment in this Issue.**

THE COMPANY'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole, or any such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). We have received "in-principle" approvals from BSE and NSE for listing the Equity Shares to be Allotted pursuant to the Issue by way of their letters dated [•] and [•], respectively. For the purposes of the Issue, the Designated Stock Exchange is BSE.

LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE

JM Financial Institutional Securities Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 Tel: +91 22 6630 3030 Fax: +91 22 6630 3330 Email: tpcl.rights@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Contact Person: Ms. Lakshmi Lakshmanan Website: www.jmfl.com SEBI Registration No.: INM000010361	BNP Paribas BNP PARIBAS House, 1 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East) Mumbai 400051 Tel: +91 22 3370 4000 Fax: +91 22 6196 5194 Email: tatapowerrights@asia.bnpparibas.com Investor Grievance Email: indiainvestors.care@asia.bnpparibas.com Contact Person: Anubhav Behal Website: www.bnpparibas.co.in SEBI Registration No.: INM000011534	HSBC Securities & Capital Markets (India) Private Limited 52/60 Mahatma Gandhi Road, Fort, Mumbai – 400 001 Tel: +91 22 2268 555 Fax: +91 22 2263 1984 Email: tatapowerrights@hsbc.co.in Investor Grievance Email: investorgrievance@hsbc.co.in Contact Person: Mayank Jain / Archa Jain Website: http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking SEBI Registration No.: INM000010353	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 Tel: +91 22 2596 7878 Fax: +91 22 2596 0329 Email: tatapower.rights@linkintime.co.in Investor Grievance Email: tatapower.rights@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr Pravin Kasare SEBI Registration No.: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[•]	[•]	[•]

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[To be finalized upon finalization of this Letter of Offer.]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

[To be finalized upon finalization of this Letter of Offer.]

In this Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this section. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Further, unless otherwise indicated or the context otherwise requires, all references to “The Tata Power Company Limited”, or “TPCL”, or “Tata Power” or to the “Company” is to The Tata Power Company Limited. References to “we”, “us” or “our” is to The Tata Power Company Limited, its Subsidiaries, Associates and Joint Ventures, on a consolidated basis, and references to “you” are to the prospective investors in the Equity Shares.

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALoF	The abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations, the Companies Act and the Companies Act, 2013 (as applicable)
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue to Allottees
Allottees	Persons to whom our Equity Shares will be Allotted pursuant to the Issue
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in the ASBA Account
ASBA Account	Account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be, for blocking the amount mentioned in the CAF, or the plain paper application, as the case may be
ASBA Investor	<p>An Applicant who:</p> <ul style="list-style-type: none"> • holds the Equity Shares in dematerialised form as on the Record Date and has applied towards his/her Rights Entitlements or additional Equity Shares in the Issue in dematerialised form; • has not renounced his/her Rights Entitlements in full or in part; • is not a Renouncee; and • applies through a bank account maintained with one of the SCSBs <p>Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000</p>

Term	Description
BNP	BNP Paribas
Composite Application Form/ CAF	The form used by an Investor to make an application for the Allotment of Equity Shares pursuant to the Issue
Consolidated Certificate	The single certificate issued by the Company to each Allottee to whom Equity Shares are allotted in physical form pursuant to the Issue
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Stock Exchange	BSE
Eligible Equity Shareholders	Equity Shareholders of the Company as on the Record Date, i.e., March 20, 2014
Escrow Collection Bank(s)	[●]
Equity Shares / Shares	Fully paid up equity shares of our Company having a face value of ₹1 each
Equity Shareholders	Holders of Equity Shares of our Company
FPIs	Foreign portfolio investors, as defined under Regulation 2(1)(h) of the SEBI (Foreign Portfolio Investors) Regulations, 2014
HSBC	HSBC Securities & Capital Markets (India) Private Limited
Individuals	All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation, Non Retail Individual Investors and Retail Individual Investors who are eligible under applicable laws to invest in the Issue
Investor(s)	Eligible Equity Shareholders, Renouncees and any other persons eligible to subscribe in this Issue
Issue/ Rights Issue	Issue of 33,22,30,130 Equity Shares with a face value of ₹1 each for cash at ₹ 60 per Equity Share for an amount aggregating ₹ 19,93,38,07,800 on a rights basis to the Eligible Equity Shareholders in the ratio of 7 Equity Shares for every 50 fully paid Equity Shares held by them on the Record Date (i.e. March 20, 2014)
Issue Closing Date	[●], 2014
Issue Opening Date	[●], 2014
Issue Price	₹ 60 per Equity Share as determined by our Board in consultation with the Lead Managers
Gross Proceeds	The proceeds of the Issue that are available to our Company pursuant to Allotment of Equity Shares offered in the Issue
Issue Size	The issue of 33,22,30,130 Equity Shares aggregating to ₹ 1,993 crore
JM Financial	JM Financial Institutional Securities Limited

Term	Description
Lead Managers	JM, BNP and HSBC
Letter of Offer	This Letter of Offer dated [●], 2014 to be filed with the Stock Exchanges and the SEBI
Listing Agreement	The listing agreements entered into between us and each of the Stock Exchanges
Monitoring Agency	[●]
Net Proceeds	The Gross Proceeds less the Issue related expenses. For further details, please refer to “Objects of the Issue” on page 99
Non-Institutional Investor(s)	Non-institutional investor(s) as defined under Regulation 2(1)(w) of the SEBI ICDR Regulations
Non-Retail Individual Investor(s)	Individual Investor(s) who hold Equity Shares of the Company in the dematerialized form as on the Record Date and have applied for Equity Shares for an amount greater than ₹ 2,00,000 (including HUFs applying through their Karta)
Promoter Trusts	Trusts classified as part of the Promoter Group, namely Sir Dorabji Tata Trust, Sir Ratan Tata Trust and J R D Tata Trust
Qualified Foreign Investors / QFIs	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet ‘know your client’ requirements prescribed by SEBI and are resident in a country which is (I) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission’s Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIBs / Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Record Date	March 20, 2014
Refund Bank	[●]
Registrar to the Issue	Link Intime India Private Limited
Renouncee(s)	Any person(s) who has/ have acquired Rights Entitlements from the Eligible Equity Shareholders
Retail Individual Investor(s)	Individual investors who have applied for Equity Shares for an amount not more than ₹ 2,00,000.00 (including HUFs applying through their Karta)
Rights Entitlement	The number of Equity Shares that an Eligible Equity Shareholder is entitled to, that is determined as a proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, i.e., 7 Equity Shares for 50 Equity Shares held on the Record Date (i.e. March 20, 2014)

Term	Description
SAF(s)	Split application form(s)
SCSB(s)	Self-certified syndicate bank, registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries .
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
Stock Exchange(s)	BSE and NSE, where our Equity Shares are presently listed
Working Days	A day (other than a Saturday or Sunday) on which the principal commercial banks in Mumbai are open for business, during normal banking hours

Company Related Terms

Term	Description
AOA / Articles/ Articles of Association	Articles of Association of our Company
Associates	Panatone Finvest Limited, Tata Projects Limited, Nelito Systems Limited, Yashmun Engineers Limited, Tata Ceramics Limited, ASL Advanced Systems Private Limited, The Associated Building Company Limited, Rujuvalika Investments Limited, Hemisphere Properties India Limited and Brihat Trading Private Limited
Audit Committee	The audit committee of our Board constituted pursuant to Section 292A of the Companies Act and Clause 49 of the Listing Agreement comprising of Dr. H.S. Vachha as Chairman, and Mr. D. M. Satwalekar and Mr. P. G. Mankad as Members
Auditors	[●], the statutory auditors of our Company
Board/ Board of Directors	The Board of Directors of our Company, unless specified otherwise
Committee for Rights Issue	The committee of Directors of our Board constituted in relation to this Issue by the board resolution dated February 27, 2014, comprising Mr. Cyrus P. Mistry, Mr. Nawshir H. Mirza and Mr. D. M. Satwalekar
Corporate Office	Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009, India
Director(s)	Director(s) on the Board of our Company, unless specified otherwise
FCCBs	1.75% foreign currency convertible bonds, due in 2014, with face value of US\$ 100,000 each issued by our Company, currently outstanding and listed on the Singapore Exchange Securities Trading Limited
GDRs	Global depository receipts issued by our Company in July, 2009, which are listed in and traded in the Euro MTF market of the Luxembourg Stock Exchange and are also available for trading on the International Order Board of the London Stock Exchange
GDS	Global depository shares, issued in February, 1994, jointly with the erstwhile The Tata Hydro-Electric Power Supply Company Limited and The Andhra Valley Power Supply Company Limited, which have been listed on the Luxembourg Stock Exchange and have been accepted for clearance through Euroclear and Cedel. The GDS have also been designated for trading in the PORTAL System of

Term	Description
	the National Association of Securities Dealers, Inc.
Joint Ventures	Joint ventures as per AS 27, namely Tubed Coal Mines Limited, Mandakini Coal Company Limited, Gamma Land Holding Limited, Solace Land Holding Limited, Ginger Land Holding Limited, Beta Land Holding Limited, PT Arutmin Indonesia, PT Kaltim Prima Coal, Indocoal Resources (Cayman) Limited, PT Indocoal Kalsel Resources, PT Indocoal Kaltim Resources, PT Kalimantan Prima Power, PT Citra Prima Buana, PT Guruh Agung, PT Citra Kusuma Perdana, Candice Investments Pte. Limited, PT Nusa Tambang Pratama, PT Marvel Capital Indonesia, PT Dwikarya Prima Abadi, Dagachhu Hydro Power Corporation Limited, OTP Geothermal Pte. Limited, PT OTP Geothermal Services, PT Sorik Marapi Geothermal Power, Cennergi Pty. Limited, Tsitsikamma Community Wind Farm (Pty.) Limited, Amakhala Emoyeni RE Project 1 (Pty.) Limited, PT Mitratama Perkasa, PT Baramulti Sukessarna Tbk, PT Antang Gunung Meratus, Adjaristsqali Netherlands B.V. and Adjaristsqali Georgia LLC
Material Subsidiaries	Tata Power Trading Company Limited, Maithon Power Limited, Tata Power Delhi Distribution Limited and Coastal Gujarat Power Limited
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company
Promoter	The promoter of our Company is Tata Sons Limited
Promoter Group	Promoter group shall mean the persons and entities forming part of our promoter group, in accordance with the SEBI ICDR Regulations
Registered Office	Bombay House, 24, Homi Mody Street, Mumbai 400 001, India
Share Transfer Agent	TSR Darashaw
Stakeholders Relationship Committee	The Stakeholders Relationship Committee constituted pursuant to the Companies Act, 2013 and Clause 49 of the Listing Agreement comprising of Dr. H.S. Vachha as Chairman and Ms. V. V. Mulye and Mr. S. Padmanabhan as Members
Subsidiaries	The subsidiaries of our Company as of this Letter of Offer, namely, Af-Taab Investment Company Limited, Chemical Terminal Trombay Limited, Tata Power Trading Company Limited, Powerlinks Transmission Limited, NELCO Limited, Tatanet Services Limited, Maithon Power Limited, Industrial Energy Limited, Tata Power Delhi Distribution Limited, Coastal Gujarat Power Limited, Tata Power Renewable Energy Limited, NDPL Infra Limited, Dugar Hydro Power Limited, Tata Power Solar Systems Limited, Tata Power Jamshedpur Distribution Limited, Bhira Investments Limited, Bhivpuri Investments Limited, Khopoli Investments Limited, Trust Energy Resources Pte. Limited, Energy Eastern Pte. Limited, PT Sumber Energi Andalan Tbk., Tata Power International Pte. Limited, Industrial Power Utility Limited and Tata Power Green Energy Limited
Tata Power/ Company/ Issuer / TPL	Except as stated otherwise, refers to The Tata Power Company Limited, a company incorporated under the Indian Companies Act, VII of 1913 having its registered office at Bombay House, 24, Homi Mody Street, Mumbai 400 001, India
We / Us / Our	The Tata Power Company Limited, on a consolidated basis

Technical/ Industry Related Terms

Term	Description
CERC	Central Electricity Regulatory Commission
DPR	Detailed project report
MERC	Maharashtra Electricity Regulatory Commission
MYT Regulations	Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011, as amended

Conventional and General Terms/ Abbreviations

Term	Description
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AIFs	Alternative investment funds as defined in and registered with SEBI under the SEBI (Alternative Investments Funds) Regulations, 2012
BSE	BSE Limited
CARE	Credit Analysis & Research Limited
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956, as amended, to the extent not repealed
Companies Act, 2013	Companies Act, 2013, to the extent notified
Depositories Act	Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Depositories Act
Depository Participant/ DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extra-Ordinary General Meeting
Electricity Act	Electricity Act, 2003, as amended
EPS	Earnings per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended, including the regulations framed thereunder
FII	Foreign Institutional Investor as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of 12 months ended on March 31 of that particular year

Term	Description
FVCIs	Foreign venture capital investors as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, registered with SEBI under applicable laws in India
GAAP	Generally Accepted Accounting Principles
GoI	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number allotted by the depository.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1992, as amended
IT Act	Income Tax Act, 1961, as amended
Indian GAAP	Generally accepted accounting principles followed in India
LIC	Life Insurance Corporation of India
MICR	Magnetic Ink Character Recognition
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NR	Non-Resident
NRI	Non-Resident Indian
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Body(ies)
PAN	Permanent Account Number under the IT Act
PAC	Persons Acting in Concert
PBT	Profit Before Tax
RBI	Reserve Bank of India
Registrar of Companies/ RoC	The Registrar of Companies, in Mumbai, located at 100, Everest, Marine Drive, Mumbai – 400 002
Regulation S	Regulation S under the Securities Act
Rupees/ INR/ ₹/ Rs.	Indian Rupees
RTGS	Real Time Gross Settlement

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SEBI	Securities and Exchange Board of India
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Securities Act	U.S. Securities Act of 1933, as amended
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Trademark Act	Trade Marks Act, 1999, as amended
US/ USA/ United States	United States of America
VCFs	Venture capital funds as defined under the SEBI (Venture Capital Funds) Regulations, 1996, as amended, registered with SEBI under applicable laws in India

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act and the Companies Act, 2013 (as applicable), the SCRA, the Depositories Act and the rules and regulations made thereunder.

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of the Letter of Offer, Abridged Letter of Offer and the Issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAFs to such shareholders who have a registered address in India or who have provided an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the rights or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer/ Abridged Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer/ Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer/ Abridged Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer/ Abridged Letter of Offer should not, in connection with the issue of the rights or Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Letter of Offer/ Abridged Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the rights or Equity Shares referred to in this Letter of Offer/ Abridged Letter of Offer.

Neither the delivery of this Letter of Offer/ Abridged Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

GDRs

The depositary for the Company's GDRs will seek to subscribe to or dispose of the Rights Entitlements in respect of the Equity Shares represented by such GDRs and distribute any resulting net proceeds to GDR holders in accordance with the GDR deposit agreement.

European Economic Area Restrictions

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Company has not made and will not make an offer of the Equity Shares to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Equity Shares to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares referred to in (i) to (iii) above shall require the Company or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of Equity Shares to the public in relation to any Equity shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to

decide to purchase or subscribe the Equity shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

United Kingdom Restrictions

The Company:

- (i) has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the offer or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- (ii) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

NO OFFER IN THE UNITED STATES

The rights and the shares of the Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the “**United States**” or “**U.S.**”), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in this Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said shares or rights. Accordingly, this Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither the Company nor any person acting on behalf of the Company will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who the Company or any person acting on behalf of the Company has reason to believe is, in the United States. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States, and all persons subscribing for Equity Shares and wishing to hold such shares in registered form must provide an address for registration of the Equity Shares in India. The Company is making this issue of Equity Shares on a rights basis to the shareholders of the Company and the Letter of Offer/Abridged Letter of Offer and CAF shall be dispatched to those Shareholders who have an Indian address. Any person who acquires rights or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the rights entitlements, it will not be, in the United States.

The Company reserves the right to treat as invalid any CAF which: (i) appears to the Company or its agents to have been executed in or dispatched from the United States; (ii) does not include the relevant certification set out in the CAF headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States; or (iii) where the Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and the Company shall not be bound to allot or issue any Equity Shares or rights entitlement in respect of any such CAF.

The Company is informed that there is no objection to a United States shareholder selling its rights in India. Rights may not be transferred or sold to any person in the United States.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

References in this Letter of Offer to “India” are to the Republic of India and the “Government” or the “Central Government” is to the Government of India. All references to the “US”, or the “U.S.A.” or the “United States” are to the United States of America and all references to “UK” or the “U.K.” are to the United Kingdom.

Financial Data

Unless stated otherwise, financial data in this Letter of Offer with, respect to our Company, is derived from our audited consolidated financial statements. Our Fiscal Year commences on April 1 for a year and ends on March 31 of the next year. In this Letter of Offer, we have included

- (a) the audited consolidated balance sheet of our Company, its Subsidiaries, Joint Ventures and Associates (collectively, the **"Group"**), as of March 31, 2012 and 2013, and the related audited consolidated statement of profit and loss and statement of cash flows for the years ended March 31, 2012 and 2013, prepared in accordance with accounting principles generally accepted in India (**"Indian GAAP"**), (collectively, together with the notes thereto, the **"Audited Consolidated Financial Statements"**);
- (b) the audited unconsolidated balance sheet of the Company, as of March 31, 2012 and 2013, and the related audited unconsolidated statement of profit and loss and statement of cash flows for the years ended March 31, 2012 and 2013, prepared in accordance with Indian GAAP (collectively, together with the notes thereto, the **"Audited Standalone Financial Statements"**);
- (c) the audited unconsolidated balance sheet of the Company as of September 30, 2013 and the related audited unconsolidated statement of profit and loss and statement of cash flows for the six month period ended September 30, 2013 prepared in accordance with Indian GAAP (collectively, together with the notes thereto, the **"Audited Interim Standalone Financial Statements"**); and
- (d) the limited review on the unaudited consolidated interim condensed balance sheet of the Group, as of September 30, 2013, and on the related unaudited consolidated interim condensed statement of profit and loss and statement of cash flows for the six month period ended September 30, 2013 (collectively, together with the notes thereto, the **"Unaudited Consolidated Interim Financial Statements"**).

For details of such financial statements, please refer to “*Financial Information*” on page 132.

We have also included our working results, on a standalone basis, for the 9 month period from April 1, 2013 till December 31, 2013. For further details, please refer to “*Material Developments*” on page 136.

We prepare our financial statements in accordance with the Indian GAAP applicable accounting standards and guidance notes issued by the ICAI, the applicable provisions of the Companies Act and the Companies Act, 2013 (as applicable) and other statutory and/or regulatory requirements, which differ in certain respects from generally accepted accounting principles in other countries. Indian GAAP differs in certain significant respects from International Financial Reporting Standards (“**IFRS**”). We publish our financial statements in Indian Rupees. Neither the information set forth in our financial statements nor the format in which it is presented should be viewed as comparable to information prepared in accordance with IFRS or any accounting principles other than principles specified in the Indian Accounting Standards. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Numerical values have been rounded off to two decimal places.

Industry and Market Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither we, nor the Lead Managers, make any representation as to the accuracy of that information. Accordingly, Investors should not place undue reliance on this information.

Currency and Units of Presentation

All references in this Letter of Offer to “Rupees”, “₹”, “Indian Rupees” and “INR” are to Indian Rupees, the official currency of India. All references to “U.S. \$”, “U.S. Dollar”, “USD” or “\$” are to United States Dollars, the official currency of the United States of America. In this Letter of Offer, references to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words ‘Lakh’ or ‘Lac’ mean “100 thousand”; “10 lakhs” means a “million”, and; “10,000 lakhs” means a “billion”.

Exchange Rates

Fluctuations in the exchange rate between the Rupee and the U.S. Dollar will affect the U.S. Dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. Dollars of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. Dollar (in Rupees per U.S. Dollar) based on the reference rates released by the RBI. No representation is made that the Rupee amounts actually represent such amounts in U.S. Dollars or could have been or could be converted into U.S. Dollars at the rates indicated, at any other rates or at all.

Year ended March 31	Period End (in ₹)	Average* (in ₹)	High* (in ₹)	Low* (in ₹)
2011	44.65	45.27	45.95	44.65
2012	51.15	47.94	54.23	43.94
2013	54.39	54.45	57.22	50.56

Month ended	Period End (in ₹)	Average* (in ₹)	High* (in ₹)	Low* (in ₹)
September 2013	62.78	63.75	67.03	61.75
October 2013	61.41	61.62	62.36	61.16
November 2013	62.39	62.63	63.65	61.79
December 2013	61.90	61.91	62.38	61.18
January 2014	62.48	62.08	62.99	61.35
February 2014	62.68	62.24	62.68	61.93

Source: RBI website at www.rbi.org.in

*Note: High, low and average are based on the RBI reference rate.
RBI reference rates as of [●], 2014 - 1 USD = ₹ [●]

FORWARD LOOKING STATEMENTS

Certain statements in this Letter of Offer are not historical facts but are “forward-looking” in nature. Forward-looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters “Risk Factors”. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy and the trends we anticipate in the industry and the political and legal environment, and geographical locations, in which we operate, and other information that is not historical information.

Words such as “aims”, “anticipate”, “believe”, “could”, “continue”, “estimate”, “expect”, “future”, “goal”, “intend”, “is likely to”, “may”, “plan”, “predict”, “project”, “seek”, “should”, “targets”, “would” and similar expressions, or variations of such expressions, are intended to identify and may be deemed to be forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and assumptions about our Company, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under “*Risk Factors*” on page XV of this Letter of Offer, as well as those included elsewhere in this Letter of Offer. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- The construction and expansion of Tata Power’s various projects involve substantial capital expenditure and other risks associated with major projects, such as cost overruns, interest during construction, delays in implementation, technical and economic viability and changes in market conditions;
- Tata Power expects that its growth strategy will place significant demands on its management, financial and other resources. An inability to manage such growth effectively could disrupt Tata Power’s business, reduce its profitability and adversely affect its results of operations and financial condition.
- Tata Power and some of our companies are in the process of acquiring land for the development and/or execution of certain of their projects. There can be no assurance that such acquisitions will be completed in a timely manner, on commercially acceptable terms, or at all.
- Tata Power’s distribution license for the Mumbai License Area, issued by the MERC under the Electricity Act, is currently valid until August 14, 2014. If Tata Power is not re-awarded this distribution license for the Mumbai License Area, in a timely manner, or at all, its business, financial condition and results of operations could be adversely affected. Furthermore, the distribution license for the Mumbai License Area, if awarded, could be subject to various onerous conditions, some of which may require it to make substantial expenditures.
- Tata Power’s revenue generation is currently concentrated in Mumbai. There could be a material adverse effect on Tata Power’s revenues and results of operations if its customers in Mumbai source power from other suppliers.
- In the recent past, many businesses, in particular industrial consumers, have decided to shift their operations out of Mumbai to nearby areas or other states due to the high cost of operating in Mumbai. This exodus could have an adverse impact on Tata Power’s business and revenues.
- Disruption to the supply of services and equipment or increase in the cost of certain materials may adversely affect our business.
- Interruption in fuel supplies or an increase in the cost of fuel may adversely affect our business costs and revenues.

- Tata Power has received certain show-cause notices from the Ministry of Coal, Government of India, which could result in de-allocation of coal blocks at Mandakini and/or Tubed. De-allocation of coal blocks at either Mandakini or Tubed could have an adverse effect on Tata Power's business, financial condition and results of operations.
- We are substantially dependent on the coal segment of our business, which subjects us to a number of additional risks. Coal prices are cyclical and subject to significant fluctuations, and any significant decline in the prices the Coal Companies receive for coal could have a material adverse effect on the Coal Companies and our results of operations and cash flows.
- Changes in the cost of imported coal may materially affect our results of operations.

For a further discussion of factors that could cause our actual results to differ, please refer to "*Risk Factors*" on page XV of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we nor the Lead Managers make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Neither we nor the Lead Managers nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI/ Stock Exchanges, we and the Lead Managers will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the listing and trading of the Equity Shares Allotted pursuant to the Issue on the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider the following risk factors as well as other information included in this Letter of Offer prior to making any decision as to whether or not to invest in the Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, Tata Power's business, results of operations, financial condition and liquidity could suffer, the trading price of the Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. The numbering of the risk factors has been done to facilitate ease of reading.

Please refer to "Business Overview" and "Definitions" for definitions of terms used but not otherwise defined in this section

Internal risk related to Tata Power and Tata Power Group

1 Tata Power plans to create additional generating capacity, which will involve substantial capital expenditure and other risks associated with major projects.

Tata Power intends to expand its power generating capacity significantly to meet the increasing demand forecast in India and abroad in the foreseeable future. Tata Power intends to construct additional power plants, expand its existing plants, increase output capacity and improve and expand its transmission and distribution services through optimisation and modernisation schemes. It has established, or will establish, special purpose vehicles or joint ventures for these purposes. Tata Power has invested, and may further invest, considerable resources in developing these generation plants and services.

Some of Tata Power's projects are under execution and have not yet achieved commercial operation. Thermal and hydropower projects have a long gestation period of more than three years, due to the process involved in commissioning power projects. This process typically includes the process of applying for and obtaining government approvals, including permission for acquiring land, environmental approvals, and approvals for the use of water. It also requires entering into fuel supply agreements, evacuation agreements, financing agreements, raw material agreements and obtaining detailed project reports, after which the construction process commences. Further, power plants typically require months or even years after being commissioned before positive cash flows can be generated, if at all. In addition, due to increased development activity in the power sector in India, the commercial viability of Tata Power's power projects may need to be re-evaluated and it may not be able to realise the benefits or returns on investment as expected.

The construction and expansion of Tata Power's various projects involve substantial capital expenditure and other risks associated with major projects, such as cost overruns, interest during construction ("IDC"), delays in implementation, technical and economic viability and changes in market conditions. Although our companies in we may enter into turnkey contracts for the supply or installation of certain equipment or for certain civil works of its plants and facilities, we face the risk that it will have to fund any project delays or cost overruns arising from various factors, such as availability and cost and quality of construction materials such as steel and cement, among others, required for such projects. The scheduled completion dates for Tata Power's projects are estimates and are subject to delays and other risks. Among other things, we are subject to risks on account of significant increases in prices or shortages of equipment and building materials (which may prove defective), technical skills and labour, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, objections from affected communities, changes in foreign exchange rates for loans borrowed or equipment planned to be purchased, changes in government or regulatory policies, litigation and delays in obtaining requisite approvals, permits, licences or certifications from the relevant authorities. These and other unforeseeable problems and circumstances could adversely affect our ability to develop its power projects in the time estimated. These could result in cost overruns, termination of a project's development or execution and/or a breach of the financial covenants imposed by lenders. Although we build a contingency into our expected total project costs, there can be no certainty that such a contingency will be sufficient to fund any such costs.

The timely completion of a project is also dependent on the completion of related infrastructure by third parties. Related infrastructure includes ports, high voltage evacuation, railways, roads, water ways and dams, among

others. Any delay in the construction of related infrastructure by third parties could delay the commissioning of our projects. In addition, failure to complete a project according to its original specifications or schedule, if at all, may give rise to potential liabilities and could render certain benefits available under various government statutes being unavailable. As a result of this, Tata Power's returns on investments may be lower than originally expected.

Any of the above risks may adversely affect our business, results of operations and prospects. In particular, any delay in relation to or non-completion of any of our projects aimed at increasing its generating capacity will adversely impact our projections for future operating capacity.

2 Inability to manage growth and expansion effectively could disrupt Tata Power's business, reduce profitability and adversely affect its results of operation and financial conditions.

Tata Power expects that its growth strategy will place significant demands on its management, financial and other resources. It will require Tata Power to develop and improve its operational, financial and internal controls, as well as its management, recruitment and administrative capabilities on a continuous basis. In particular, continued expansion and diversification increases the challenges involved in financial and technical management, recruitment, training and retaining sufficiently skilled technical and management personnel and developing and improving internal administrative infrastructure. Tata Power's growth is dependent upon its ability to meet such challenges successfully and may require significant expenditure and allocation of valuable management resources. An inability to manage such growth effectively could disrupt Tata Power's business, reduce its profitability and adversely affect its results of operations and financial condition.

In addition, Tata Power continues to evaluate merger and acquisition opportunities, both in India and overseas, and may make additional mergers and acquisitions in the future if suitable opportunities arise. These may require significant investments, which may adversely affect Tata Power's business and revenues. Acquisitions involve a number of risks, including but not limited to the following:

- impact of unforeseen risks, such as contingent or latent liabilities relating to the acquired businesses that may only become apparent after the merger or acquisition is finalised;
- success or failure of integration and management of the acquired operations and systems;
- success or failure of retention of select personnel; or
- diversion of Tata Power management's attention from other on-going business concerns.

If Tata Power is unable to integrate the operations of an acquired business successfully or manage such future acquisitions profitably, its revenues and results of operations may be adversely affected.

3 Tata Power and some of our companies may not be able to acquire sufficient land for project site development in a timely manner, on commercially acceptable terms, or at all, which could have an adverse effect on our results of operations and prospects.

Tata Power and some of our companies are in the process of acquiring land for the development and/or execution of certain of their projects. There can be no assurance that such acquisitions will be completed in a timely manner, on commercially acceptable terms, or at all. This could have an adverse effect on our results of operations and prospects. Tata Power may also face public opposition to its land acquisition policies. Further, Tata Power and the relevant Tata Power Group company implementing power projects cannot be certain of the cost of any financial compensation that they may have to pay to individuals or entities pursuant to any compulsory acquisition orders or resettlement and rehabilitation packages implemented by the Indian state authorities. Such payment could have a material adverse effect on our results of operations and prospects.

4 Tata Power's distribution license for the Mumbai License Area, issued by the MERC under the Electricity Act, is valid until August 14, 2014. A failure to obtain a distribution license for the Mumbai License Area in a timely manner or at all could have a material adverse effect on its business, financial condition and results of operations.

Tata Power's distribution license for the Mumbai License Area, issued by the MERC under the Electricity Act, is currently valid until August 14, 2014. Tata Power submitted an expression of interest to the MERC for continuing the distribution of electricity in the Mumbai License Area at the end of January 2014 and is currently in the process of filing a formal application for issuance of the requisite license. Furthermore, Tata Power plans to allocate 300 crore of the Net Proceeds to fund capital expenditures related to compliance requirements issued by the MERC with respect to MYT Regulations for the generation, transmission and distribution of electricity in the Mumbai License Area.

If Tata Power is not awarded this distribution license for the Mumbai License Area, in a timely manner, or at all, its business, financial condition and results of operations could be adversely affected. Furthermore, the distribution license for the Mumbai License Area, if awarded, could be subject to various onerous conditions, some of which may require it to make substantial expenditures such as the aforementioned compliance related expenditures. If Tata Power fails to comply with, or the MERC claims it has not complied with these conditions, its business, financial condition and results of operations would be adversely affected.

5 Tata Power's revenue generation is currently concentrated in Mumbai. There could be a material adverse effect on Tata Power's revenues and results of operations if its customers in Mumbai source power from other suppliers.

Tata Power's revenue from power supply and transmission charges in Mumbai contributed approximately [●]% and [●]% of its total non-consolidated revenues in the year ended March 31, 2013 and the six months ended September 30, 2013, respectively. In addition, in the year ended March 31, 2013 and the six months ended September 30, 2013, [●]% and [●]%, respectively, of units sold by Tata Power Generation were derived from Brihanmumbai Electric Supply and Transport Undertaking ("BEST") and the Indian railways. However, following the implementation of the Electricity Act, 2003, large customers (as opposed to retail customers) with a demand in excess of 1 MVA are entitled to purchase power from sources other than Tata Power. If a significant number of these customers source power from other suppliers, this could have a material adverse effect on the revenues and results of operations of Tata Power.

6 The reduction in Mumbai's high-end consumer base may have an adverse impact on Tata Power's business and revenues.

In the recent past, many businesses, in particular industrial consumers, have decided to shift their operations out of Mumbai to nearby areas or other states due to the high cost of operating in Mumbai. The industrial and commercial sectors represent Mumbai's high-end consumer base and account for a significant portion of power consumers. Therefore, although demand for power currently outstrips supply and is forecast to do so for the foreseeable future, and while Tata Power sells its power to other distribution licensees who then on-sell to industrial end users, this exodus could have an adverse impact on Tata Power's business and revenues.

7 Some of the financing documents governing loans availed of by Tata Power and certain entities forming a part of the Tata Power Group require the prior consents from certain lenders for undertaking the Issue as well as certain of the activities for which the Net Proceeds are proposed to be utilised, which have not been obtained as of the date of this Letter of Offer.

Under the terms of certain of the financing documents governing loans availed of by Tata Power and certain entities forming a part of the Tata Power Group, it and certain entities comprising a part of the Tata Power Group require prior consents from certain lenders in order to undertake the Issue as well as certain of the activities for which the Net Proceeds are proposed to be utilised. While Tata Power has sought consents from these lenders, it cannot assure you that it will have obtained the requisite consents as of the date of Allotment or at all. Of the loans on which no approval has been obtained, the outstanding balance, as of December 31, 2013, was ₹ [●].

Allotment of Equity Shares pursuant to the Issue without the requisite consents from the lenders or utilisation of the Net Proceeds towards certain of the activities for which the Net Proceeds are proposed to be utilised constitutes a default under the relevant financing documents and will entitle the relevant lenders to call an event of default and to enforce remedies under the terms of the financing documents, that include, amongst other things, acceleration of repayment of the amounts outstanding under the financing documents, enforcement of the security interest created under the financing documents, payment of additional interest and taking possession of

the assets given as security in respect of the financing documents. There can be no assurance that these lenders will not initiate action under the terms of the relevant financing documents at any time. Such actions may trigger other consequences, including potential winding-up claims against Tata Power or the relevant entity of the Tata Power Group.

A default by Tata Power or the relevant entity of the Tata Power Group, under the terms of the relevant financing document, will also trigger a cross-default under the other financing documents, or any other agreements or instruments containing a cross-default provision, which could, individually or in the aggregate, have a material adverse effect on the Tata Power's operations, financial position and credit rating. Also, Tata Power may have to dedicate a substantial portion of its cash flow from operations to make payments under the financing documents, thereby reducing the availability of its cash flow to fund capital expenditures, meet working capital requirements and for other general corporate purposes. Such defaults may also result in a decline in the trading price of the Equity Shares and you may lose all or part of your investment. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, Tata Power or the relevant entity of the Tata Power Group, as the case may be, may be unable to pay its debts as they fall due, which could adversely impact its ability to operate as a going concern.

Any default as described above or a consequence of such default under the financing documents referred to above may, individually or in the aggregate, have a material and adverse effect on our business, results of operations, liquidity, financial condition and credit rating and may negatively impact Tata Power's ability to obtain financing or could have an adverse effect on its ability to execute other agreements or to raise or borrow capital. Such defaults or other consequences from any such default may also result in a decline in the trading price of the Equity Shares and you may lose all or part of your investment.

8 Disruption to the supply of services and equipment or increase in the cost of certain materials may adversely affect our business.

We require the continued support of certain original equipment manufacturers to supply necessary services and equipment to maintain our projects at affordable costs. We may be unable to procure the required services or equipment from these manufacturers (for example, as a result of the bankruptcy of the manufacturer or natural disasters). In addition, the cost of these services or equipment may exceed the budgeted cost, or there may be a delay in the supply of such equipment or a default by a supplier in respect of its supply obligations. In such a scenario, there may be a material adverse impact on our business, results of operations and prospects.

Our business is also affected by the availability, cost and quality of raw materials such as steel and cement, which are used to construct and develop its projects. The prices and supply of these materials depend upon a number of factors, which are not within our control, including general economic conditions, competition, production levels, transportation costs and import duties. If, for any reason, our primary suppliers of steel and cement should curtail or discontinue their delivery of such materials in the quantities needed and at prices that are competitive, our ability to meet the material requirements for its projects could be impaired and construction schedules could be disrupted, which could have a material adverse effect on our results of operations.

9 Interruption in fuel supplies or an increase in the cost of fuel may adversely affect our business costs and revenues.

Dependence on a few fuel suppliers for power projects exposes our power projects to serious vulnerabilities. These include non-supply due to reserves depletion, pro-rata scaling down of supply to all consumers, onerous contractual terms (such as no penalties for short supply while enjoying the comfort of minimum guaranteed off-take or payments in respect thereof) and an inability to obtain alternative fuel at short notice. Several of our current generation operations and projects under implementation are, or will be, coal-fired thermal plants, the majority of which are, or will be, dependent on an adequate supply of low ash, low sulphur coal imported from Indonesia. These imports, which are difficult to source, may be subject to disruption and may not be capable of ready substitution. There can be no guarantee that such supply will not be disrupted, whether as a result of Indonesia government action or otherwise. As part of its effort to secure fuel supplies for the Mundra UMPP, Tata Power has established a Singapore subsidiary, Trust Energy Resources Pte Limited, to own ships and manage Tata Power's shipping requirements. The shipping business is a relatively new area of business for us and any prolonged failure to utilise these vessels our own use or otherwise deploying them gainfully could have a material adverse effect on our results of operations.

For our renewable power projects, the plant load factor (“PLF”) depends on wind speed or solar insolation, as applicable. In addition, our hydropower projects require a regular inflow of water from rains, glacier melt or groundwater. The supply of such resources cannot be assured and may affect the generation capacity of those units. Failure to obtain sufficient fuel supplies for any of our power projects in a timely manner, on appropriate terms, at competitive prices or at all may have a material adverse impact on our revenues and results of operations.

10 Tata Power has received certain show-cause notices from the Ministry of Coal, Government of India, which could result in de-allocation of coal blocks at Mandakini and/or Tubed.

Tata Power’s power projects at Begunia Thermal and Tiruldi, which are currently under development, are expected to be dependent on its share of coal from Mandakini and Tubed, respectively. The allocation of these coal blocks to Tata Power’s joint ventures, namely Mandakini Coal Company Limited (**Mandakini**) and Tubed Coal Mines Limited (**Tubed**), was subject to various conditions, including commencement of coal production from these blocks within specified periods. As such coal production had not commenced, the Ministry of Coal, on April 30, 2012 and June 14, 2013, issued two show cause notices in relation to the Tubed and Mandakini coal blocks, respectively, warning of possible de-allocation of these coal blocks. While Mandakini Coal Company Limited has replied to the show cause notice dated June 14, 2013, refuting the allegations contained in the show cause notice, any failure to suitably address the allegations contained in these show cause notices could result in de-allocation of the coal blocks at Mandakini.

On February 17, 2014, the Ministry of Coal notified Tubed of the de-allocation of its coal block. However, pursuant to a writ petition filed by Tata Power, the High Court of Jharkhand issued an interim order staying the aforementioned decision of de-allocation. These proceedings are currently pending before the High Court of Jharkhand and any unfavourable decision in this regard in the future could result in, amongst other things, de-allocation of the Tubed coal block and render Tubed ineligible for the allocation of a coal block.

De-allocation of coal blocks at either Mandakini or Tubed could have an adverse effect on Tata Power’s business, financial condition and results of operations.

11 We are substantially dependent on the coal segment of our business, which subjects us to a number of additional risks. Coal prices are cyclical and subject to significant fluctuations, and any significant decline in the prices the Coal Companies receive for coal could have a material adverse effect on the Coal Companies and our results of operations and cash flows.

On June 26, 2007, we completed the acquisition of a 30% equity interest in PT Kaltim Prima Coal (“KPC”), PT Arutmin (“Arutmin”), Indocoal Resources (Cayman) Limited (“Indocoal”), PT Indo Kalsel and PT Indo Kaltim (together the “Coal Companies”) from PT Bumi Resources Tbk (“Bumi”) for coal mining operations in Indonesia. On January 31, 2014, Tata Power announced that it has signed an agreement to sell its stake in Arutmin and associated companies in coal trading and infrastructure for an aggregate consideration of approximately US\$ 500 million, subject to certain closing adjustments. The sale is subject to certain conditions and restructuring actions. For the year ended March 31, 2013 and the six months ended September 30, 2013, the coal segment (which comprises the indirect holding of Tata Power in the Coal Companies) contributed [●]% and [●]%, respectively, of Tata Power’s consolidated revenue. Tata Power is dependent on the Coal Segment for a significant portion of its revenues and any adverse developments in relation to the operations of the Coal Companies could result in a material adverse effect on our business, results of operations and prospects.

The Coal Companies’ results of operations are highly dependent upon the prices they receive for coal. The world coal markets are sensitive to changes in coal mining capacity and output levels, patterns of demand and consumption of coal from the electricity generation industry and other industries for which coal is the principal fuel and changes in the world economy. The coal consumption patterns of the electricity generation, steel and cement industries are affected by the demand for these customers’ products, local environmental and other governmental regulations, technological developments and the price and availability of competing coal and alternative fuel supplies. All of these factors can have a significant impact on the selling prices for coal. Prices for coal products are also based upon or affected by global coal prices, which tend to be highly cyclical and subject to significant fluctuations. Prices for coal products are also affected by a variety of other factors over which the Coal Companies have no control, including weather, distribution problems and labour disputes. Any fluctuations in world coal prices will affect the Coal Companies’ results of operations and cash flows. Extended

or substantial price declines for coal products could also have a material adverse effect on our business, financial condition, results of operations and prospects.

12 Changes in the cost of imported coal may materially affect our results of operations.

CGPL, a wholly owned subsidiary of Tata Power and the special purpose vehicle for the Mundra UMPP, entered into a power purchase agreement (“PPA”) under which 55% of the fuel component in revenues recoverable is not eligible for escalation. This exposes CGPL and us to any unfavourable movement in spot coal prices over the term of the PPA. Further, since CGPL relies entirely on coal imported from Indonesia, its profitability has been affected by the Indonesian government’s directive that coal can only be sold at market rates, regardless of mutually negotiated or contracted rates. As our bid for the Mundra UMPP was based on coal prices forecasted based on prevailing rates at the time of bidding, CGPL has been exposed to considerably higher costs than originally contemplated. Given the volatility in fuel prices and significant increases in recent years, this has already had, and could in the future, have a material adverse effect on our results of operations.

Under Indian GAAP accounting standards, this along with other factors has resulted in impairment of CGPL’s assets and may result in further impairments in the future. In addition, while we have taken certain other commercial and technical measures to reduce the impact of this adverse development, there can be no assurance that such measures will be successful. See “*The order passed by the CERC with respect to Mundra UMPP is appealable*”.

13 The order passed by the CERC with respect to Mundra UMPP is appealable.

CGPL entered into certain power purchase arrangements to sell electricity generated to the state electricity boards of Gujarat, Maharashtra, Haryana, Punjab and Rajasthan (collectively, the “Procurers”). In 2012 unfavourable actions by the Indonesian in the form of higher royalties and income taxes on coal resulted in an increase coal market prices and jeopardized the financial viability of the Mundra UMPP project. As a result, CGPL filed a petition (Petition No. 159/MP/2012) with the CERC for relief in July 2012. The CERC has passed an order (“CERC Order”) on February 21, 2014, providing relief to CGPL in the form of compensatory tariff, in addition to the tariff agreed to in the power purchase agreements, effective from April 01, 2013 for as long as the hardship on account of Indonesian regulations persists. In this regard, please refer to “*Material Developments*” on page 136.

The CERC Order is capable of being appealed to the Appellate Tribunal for Electricity. The CERC Order remains binding until such time as an appeal against the CERC Order is filed and a stay of the CERC Order is granted by either the Appellate Tribunal for Electricity or any other Court of competent jurisdiction. No appeal has been filed against the CERC Order as of the date of this Letter of Offer. However, if such appeal is filed and either a stay of the CERC Order or a modification of the terms thereof is granted, such actions could result in a negative impact on the operations and performance of the Mundra UMPP, which could in turn have an adverse effect on our business, financial condition and results of operations.

14 Coal mining is subject to unexpected disruptions which could cause the Coal Companies’ results of operations to fluctuate across fiscal periods.

The Coal Companies’ surface mining operations are subject to events and operating conditions that could disrupt production, loading and transportation of coal at or from their mines for varying lengths of time. These events and conditions include but are not limited to the following:

- adverse weather and natural disasters, including heavy rains, floods, earthquakes and forest fires;
- unexpected equipment failures and maintenance problems;
- failure to obtain key materials and supplies, such as explosives, fuel and spare parts;
- variations in coal seam thickness, the amount and type of rock and soil (overburden) overlying the coal seam and other discrepancies to geological models;
- delays or disruptions in coal chains, shipments of coal products or importation of equipment and spare parts;

- changes in geologic conditions and geotechnical instability of the highwall of mining pits; and
- reserve estimates proving to be incorrect.

Any disruption of the Coal Companies' operations in the event that mining operations are disrupted could have a material adverse effect on our business and results of operations.

15 The estimates of reserve and resource figures of the Coal Companies are subject to assumptions, which, if incorrect, could have an adverse effect on our business and financial condition.

Although reserve and resource figures of the Coal Companies have been carefully prepared using engineering, economic, hydrological and geo-technical data assembled and analysed by the Coal Companies or, in some instances, have been prepared, reviewed or verified by independent mining experts, these amounts are estimates only. There are numerous uncertainties inherent in estimating quantity and quality of, and costs to mine, recoverable reserves, including many factors outside the control of the Coal Companies. Further, sustained downward movements in coal prices could render less economical, or uneconomical, some or all of the coal production related activities to be undertaken by the Coal Companies. There can be no assurance that any particular level of recovery of coal from such reserves or resources will in fact be realised or that an identified resource will ever qualify as a resource to be mined commercially and/or which can be legally and economically exploited. This could have an adverse impact on the availability of sufficient supplies of coal for our projects and the value of its investments in the Coal Companies, which, in turn, could adversely affect our business and financial condition.

16 The Indonesian government has passed a new mining law, which, if brought into effect, may affect our coal mining operations in Indonesia and may consequently affect our business, costs and revenues.

The Indonesian government passed the New Mining Law that repealed the existing law and created a new regime for the grant and implementation of mining rights. It is unclear how the New Mining Law will affect our coal mining operations as the implementing regulations, which are expected to set out the specific regulatory changes brought about by the New Mining Law have not yet been promulgated. Some of the changes proposed by the draft regulations include:

- low calorie value coal cannot be exported from 2014 onwards;
- obligations for mine owners to carry out the basic production work themselves;
- export tax on coal sales;
- requirements for foreign investors to divest a certain percentage of their share in mining projects after a specified period of time; and
- reduction of Mining concession production area under IUP system ("Izin Usaha Pertambangan" which means "mining permit") after the expiry date of the coal contracts of work ("CCoW").

There is no certainty that the regulations finally implemented by the Indonesian government will be the same as the draft regulations. However, any changes to the legal and regulatory regime on mineral and coal mining in Indonesia may affect the way we conduct our mining operations and may consequently, affect our business, costs and revenues. KPC and Arutmin have first generation CCoW granted by the Indonesian Government. First generation CCoWs are structured as contracts between the concession holder and the central government and ratified by the Indonesian parliament. A first generation CCoW has "lex specialist" status, which means that provisions contained in it sit above general Indonesian law. In the event that any provision under the first generation CCoW are in conflict with general Indonesian law, the provisions under the first generation CCoW would prevail.

The New Mining Law provides that existing CCoWs could remain valid until expiration of their term, but these need to be "transitioned" to conform to the New Mining Law within one year of the implementation of the New Mining Law. Transitioned CCoWs are also able to be extended beyond their term without the need for being re-

tendered. KPC and Arutmin are currently working towards a smooth transition and are already compliant with the regulations which have been implemented in relation to the allocation of a specified quantity of the coal produced by coal mining firms to Indonesian markets and sale of coal based on a benchmark price. It is likely that KPC and Arutmin would have to comply with certain provisions in the New Mining Law for the transition and are currently in discussions with the Indonesian government on this topic. Failure to implement a smooth transition process could adversely affect our business, costs and revenues.

17 The success of our power plants depends on the reliable and stable supply of water to its power plants. In the event of water shortages, its power plants may be required to reduce their water consumption, which would reduce their power generation capability.

All of our thermal and hydro power plants require a reliable water source. There can be no assurance that water supply to our thermal power plants, particularly to projects situated away from the coast, will continue to be dependable. In the event of water shortages, its power plants may be required to reduce water consumption, which would reduce their power generation capability and have an adverse impact on our business, results of operations and prospects. Further, if Tata Power or the relevant Tata Power Group company do not receive the necessary approvals and licences to draw sea water from the relevant government authorities, it will have to find alternative sources of water supply.

In addition, government approvals and licences are subject to numerous conditions, some of which are onerous and require the licence holders to incur substantial expenditure. If we fail to comply, or a regulator claims it has not complied, with these conditions, our business, prospects, financial condition and results of operations may be materially and adversely affected.

18 Disruption to the development, execution or operation of any of our assets could adversely affect our business.

The development, execution or operation of our projects may be disrupted for reasons that are beyond its control. These include, among other things, the occurrence of explosions, fires, earthquakes and other natural disasters, prolonged spells of abnormal rainfall, breakdown, failure or substandard performance of equipment, improper installation or operation of equipment, accidents, operational problems, transportation interruptions, other environmental risks and labour disputes. For example, in December 2013 and January 2014, Tata Power shut down certain generator units at the Mundra plant and the Trombay plant, respectively, following the breakout of fires at those plants. There can be no assurance that the affected units will resume operations in a timely manner. Delays in resuming operations for the affected units may have a material adverse effect on our results of operations. In addition, our projects may also be a target of terrorist attack or other civil disturbance.

Further, we rely on extremely sophisticated and complex machinery that is built by third parties and may be susceptible to malfunction. Although, in certain cases, Tata Power is entitled to be compensated by manufacturers for certain equipment failures and defects, such arrangements may not fully compensate Tata Power or the relevant Tata Power Group Company. In addition, Tata Power may not be entitled to compensation for indirect losses such as loss of profits or business interruption under such agreements. If such operational difficulties occur in the future, they may have a material adverse effect on our business, financial condition and results of operations.

Environmental awareness throughout the world, including in India and other emerging markets, has grown significantly, in part due to the perceived negative impact that thermal power generation and mining operations have on the environment. Public protest over our power or mining operations could result in a number of adverse consequences, including but not limited to delays in project development and/or execution, damage to our reputation and goodwill with the government or the public in the countries in which we operate or have interests, disruption of operations and damage our facilities, interruptions in the supply of fuel to our thermal generation plants, and affect our ability to obtain necessary licences to expand existing facilities or establish new operations. The occurrence of such events could have a material adverse effect on our business, results of operations, financial condition and prospects.

19 If Tata Power or any of the companies in the Tata Power Group do not operate their facilities efficiently, or otherwise breaches their contractual obligations, they may face penalties under the terms of the PPAs into which they have entered or may enter in the future.

PPAs, including the PPA for the Mundra UMPP (“**Mundra PPA**”), generally set out certain penalties payable by Tata Power or the relevant Tata Power Group Company in the event performance does not meet certain levels. In the case of the Mundra PPA, this includes the potential payment of liquidated damages in connection with unavailability of contracted power or non-satisfaction of certain other conditions. Our customers will not reimburse Tata Power or the relevant Tata Power Group Company for any increased costs arising as a result of its plants’ failure to operate within the agreed norms. This could, in turn, have an adverse effect on our revenues and results of operations.

20 Failures to supply power to its customers may have a significant adverse effect on Tata Power’s business, revenues, results of operations and prospects.

Tata Power’s revenue generation is dependent upon it being able to deliver power to its customers. Unplanned outages of any of Tata Power’s generating stations, failures in transmission systems, failure in inter-regional transmission as a result of inadequate inter-regional transmission capacity and consequent network congestion, or failures in distribution systems could prevent Tata Power from supplying power to its customers. The occurrence of these or other similar events could have a material adverse effect on Tata Power’s business, revenues and results of operations.

21 Tata Power may have limited access to funding for the development and execution of its power projects, which may limit the expansion of its business.

The acquisition, construction and expansion of power plants, in addition to the on-going improvements required to maintain or upgrade existing assets, are capital intensive. Such costs are usually funded from a mixture of operating cash flow and third party financing. Tata Power intends to finance 70% to 80% of the cost of each of its prospective projects with third party debt. Given its growth plans, Tata Power expects that it or the relevant Tata Power Group Company executing the power projects will incur substantial borrowings in the future. The availability of such borrowings and access to the capital markets for financing would depend on various factors including but not limited to prevailing market conditions, any regulatory approvals required, and the financing terms offered. There can be no assurance that future financings in the form of debt or equity will be available, whether on acceptable terms, in sufficient amounts or at all.

22 Financing at non-competitive rates, higher cost of borrowing and financing structure could adversely affect our financial performance, results of operations and prospects.

Our growing business needs require it to raise funds through commercial borrowings. Its ability to raise funds at competitive rates depends on its credit rating, the regulatory environment in India and general liquidity conditions. The developments in the international markets affect the Indian economy including the financial liquidity position, and we are exposed to the risk of liquidity in the financial markets. Changes in economic and financial conditions could make it difficult to access funds at competitive rates. We also face certain restrictions when raising money from international markets, which may further constrain our ability to raise funds at competitive rates.

23 Any downgrade of Tata Power’s credit ratings could adversely affect our business and results of operations.

At present, the domestic long term rating from CRISIL is ‘CRISIL AA-’ with negative outlook and ‘CARE AA’ from CARE. The domestic long term rating from ICRA as of March 2013 was ‘ICRA AA’ with negative outlook. The international corporate credit rating from Standard and Poor’s is ‘B+’ with negative outlook, which was lowered from “BB-“ in October 2013, and ‘Ba3’ with negative outlook from Moody’s, which was lowered from “Ba3” in November 2012. The downgrades were primarily due to material covenant breaches on the debt raised by the Mundra UMPP and questions relating to the project’s long term impact on Tata Power’s financial profile absent changes to cost or tariff structure. There can be no assurance that credit rating agencies will not further downgrade Tata Power’s credit ratings in the future. Any downgrade of Tata Power’s credit rating for international and domestic debt by international and domestic rating agencies, respectively, may have an adverse impact on Tata Power’s ability to raise additional financing and the interest rates and commercial terms on which such financing is available. Tata Power was downgraded. Further rating downgrades could have an adverse effect on Tata Power’s ability to obtain financing to fund its growth on favourable terms or at all and, as a result, could have a material adverse effect on its results of operations, financial condition and growth prospects.

24 The structure and specific provisions of our financing arrangements could give rise to certain additional risks.

Certain of Tata Power's loan agreements and other debt arrangements require Tata Power to obtain lender consents before, among other things, issuing debentures or shares, entering into any transaction of merger, consolidation, reorganisation, disposing of assets or changing its management and control. Further, certain financial covenants may limit Tata Power's ability to borrow additional money or to grant additional security or issue guarantees. There can be no assurance that such consents will be obtained in the future, which may adversely affect Tata Power's operations and growth prospects.

A Tata Power Group company may be unable to service interest payments and principal repayments or comply with other requirements of any loans, rendering borrowings immediately repayable in whole or in part, together with any attendant cost. A Tata Power Group company may also be forced to sell some of its assets to meet such obligations, with the risk that borrowings will not be able to be refinanced or that the terms of such refinancing may be less favourable than the terms of the existing borrowing. In addition, the borrowings of any Tata Power Group company will generally be secured against some or all of the relevant company's assets and in particular the assets related to the relevant project. Any event of default would result in the lenders enforcing their security and taking possession of the underlying properties. Any cross-default provisions could magnify the effect of an individual default and if such a provision were exercised, this could result in a substantial loss to us. The companies in the Tata Power Group may be required to re-finance any borrowings they have from time to time. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions which are beyond our control) may make it difficult for the companies in the Tata Power Group to obtain such new finance on attractive terms or at all. There will be an adverse impact on our results of operations if borrowings become more expensive relative to the income received from investments. If the companies in the Tata Power Group are not able to obtain new finance for any reason, the relevant company may suffer a substantial loss as a result of having to dispose of those of their investments, which cannot be re-financed.

Tata Power may also guarantee the payment and performance of the obligations of certain of its subsidiaries and joint venture companies under various contracts and loan agreements. As default by such subsidiary or joint venture company would require Tata Power to fulfil its payment obligations under such guarantees, which could have an adverse effect on Tata Power's cash flows and results of operations.

25 Tata Power may not be able to service all of our existing or proposed debt obligations, which could adversely affect its business and results of operations.

Tata Power's ability to meet our existing and future debt service obligations and to repay outstanding borrowings under its funding arrangements will depend primarily upon the on-going cash flow generated by its business. Certain of its borrowings are subject to floating interest rates, which may increase. However, revenues under the PPAs may not increase correspondingly. In addition, the duration of Tata Power's PPAs may not match the duration of the related financial arrangements and thereby expose Tata Power and us to refinancing risk. Tata Power may not generate sufficient cash to enable it to service existing or proposed borrowings, comply with covenants or fund other liquidity needs.

Further, Tata Power (or any of the members of the Tata Power Group) will face additional risks if it fails to meet the debt service obligations or financial covenants required under the terms of its financing documents. In such a scenario, the relevant lenders could declare it in default under the terms of its borrowings, accelerate the maturity of its obligations, exercise rights of substitution over the financed project or replace directors on the board of the borrower. There can be no assurance that in the event of any such acceleration, Tata Power will have sufficient resources to repay these borrowings. Failure to meet obligations under debt financing arrangements could have a material adverse effect on our cash flows, business and results of operations.

CGPL, which operates the Mundra UMPP, has been adversely affected by several factors including (i) recent changes in Indonesian coal price regulations, which have resulted in an increase in price of Mundra UMPP's coal off-take arrangements with the Coal Companies; (ii) the unprecedented increases in global coal prices as compared to 2006 when Tata Power initially bid for the Mundra UMPP; and (iii) fluctuations in the U.S. dollar and Rupee exchange rates, which have experienced variance of approximately 20% in the past twelve months. As at September 30, 2012, CGPL has, pursuant to Accounting Standard – 28 – "Impairment of Assets", assessed impairment of the Mundra UMPP and recorded an impairment of ₹20,500 million, which has been recognized

as an exceptional item – Impairment Loss in the Statement of Profit and Loss. Consequent to the impairment loss in respect of the Mundra UMPP, certain financial covenants, including without limitation the maximum debt to equity ratio and the minimum debt service coverage ratio, in the bank financing documents in respect of the loans borrowed for the construction of the Mundra UMPP have not been met as at March 31, 2012. Although no notice has been served by the lenders declaring the loans taken in connection with the Mundra UMPP as immediately due and payable, any acceleration of the loans could have a material adverse effect on our cash flows, business and results of operations. CGPL and Tata Power have approached the lenders to seek waivers from the compliance with the financial covenants to the extent that such breach is due to the changes in foreign exchanges rates and increases in coal prices. However, the outcome of CGPL's discussions with the lenders is uncertain and in the absence of the waivers, drawing under the existing borrowing facilities will not be available to CGPL which will in turn significantly increase (a) Tata Power's project expenses for funding the remaining units of the Mundra UMPP; (b) the uncertainty over the timing of commissioning of some units of the Mundra UMPP; and (c) Tata Power may have to substitute the loans from alternate sources at revised terms. Any failure to obtain the necessary waivers or obtaining waivers with conditions imposed by the lenders or change in assumptions of CGPL relating to future fuel prices, future revenues, operating parameters and the assets' useful life leading to further impairment of assets could have a material adverse effect on our cash flows, business and results of operations.

Given the circumstances in relation to CGPL, Tata Power, as a part of its sponsor support obligations, has proposed to transfer at least 75% of dividend flow of the Coal Companies to CGPL and/or any other alternate structure/method to support debt service and is in the process of discussions with the lenders to formalize a suitable structure as part of its sponsor support obligation. Any stipulations by the lenders could have a material adverse effect on our cash flows, business and results of operations.

26 Tata Power's auditors have emphasized certain matters in their reports on Tata Power's audited standalone and consolidated financial statements for Fiscal Year 2013.

Tata Power's auditors have highlighted certain matters for emphasis in their reports on Tata Power's audited standalone and consolidated financial statements for Fiscal Year 2013. Such matters include, among others, uncertainty regarding the recoverability of ₹68,342 million (our share is ₹20,503 million) of value added tax balances and other contingent claims from third parties and uncertainties relating to on-going litigation, the outcome of which may require accounting adjustments with respect to standby charges estimated at ₹5,190 million which was previously accounted for as revenue in earlier periods. For additional details, please see the auditor's reports on Tata Power's audited standalone and consolidated financial statements for Fiscal Year 2013 included elsewhere in this Letter of Offer.

27 Tata Power has equity investments and capital commitments, the terms of which may restrict its ability to liquidate such investments and therefore may adversely affect its business and operations.

Tata Power has made and will continue to make capital investments, loans, advances and other commitments to support certain of its subsidiaries, joint venture companies and associates. In the past, these investments and commitments have included capital contributions, loans and corporate guarantees to enhance the financial condition or liquidity of such subsidiaries, joint venture companies and associates. Certain of Tata Power's non-core investments are in sectors which can be volatile, such as the telecommunications sector in which it has invested through Panatone Finvest Limited, Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited. Some of the agreements, pursuant to which such investments were made, may contain certain terms, which may restrict Tata Power's ability to liquidate such investments.

If the business and operations of Tata Power's subsidiaries, joint venture companies and associates deteriorate, Tata Power may suffer losses and or be required to write-off or write-down the value of its investments. Tata Power may make capital expenditures in the future, which may be financed through additional debt, including subsidiary debt. In addition, certain loans or advances may not be repaid or may need to be restructured, or Tata Power may be required to outlay capital under its commitment to support these companies. This may have a material adverse effect on Tata Power's business and revenues.

28 Tata Power currently enjoys certain significant tax incentives, which may not be available in the future. This could have an adverse effect on Tata Power's financial performance, results of operations and prospects.

Tata Power currently enjoys the benefit of various tax incentives provided by both the Government and the state governments, in the form of tax holidays, exemptions and subsidies, in order to encourage investment in the power sector. These incentives have a substantial positive impact on Tata Power's returns from these projects. The most significant of these incentives is the benefit under Section 80-IA of the Indian Income Tax Act, 1961, which provides for a tax holiday of ten years out of the first fifteen years from commissioning of the infrastructure project. Tata Power's financial performance, results of operations and prospects could be adversely affected if these benefits are amended or withdrawn or become unavailable (following the expiry of the time period for which the benefit is available) if its claim for deductions under Section 80-IA are disputed or disallowed by the taxation authority.

Further, the Direct Tax Code Bill, 2010 (the "DTC") proposes to replace the existing IT Act and other direct tax laws in India, with a view to simplify and rationalise the tax provisions into one unified code. The DTC which was tabled before the Indian Parliament for debate and discussion on August 30, 2010 was proposed to come into effect from April 1, 2012. However, its implementation has been deferred and the government has not specified any timeline for its implementation. The various proposals included in the DTC are subject to review by the Indian parliament and the impact, if any, is not quantifiable at this stage. It is possible that the DTC, once introduced, could significantly alter the taxation regime, including incentives and benefits, applicable to Tata Power.

29 Our projects are subject to risks associated with the engagement of third party contractors.

The construction work at certain of our projects is being, and will be, performed by third party contractors. Neither Tata Power nor its subsidiaries or joint venture companies have direct control over the day-to-day activities of such contractors and are reliant on such contractors performing these services in accordance with the relevant contracts. If Tata Power or the relevant subsidiary or joint venture company fails to enter into such contracts or if the contractors fail to perform their obligations in a manner consistent with their contracts, our projects may not be completed as or when envisaged, if at all, thus leading to unexpected costs.

We may not recover all or any losses they incur because of legal action in respect of breach by third party contractors of their respective obligations. If a contractor engaged to work on a project becomes insolvent, it may prove impossible to recover compensation for such defective work or materials and we may incur losses because of funding the repair of the defective work or paying damages to persons who have suffered any loss as a result of such defective work.

30 Tata Power's corporate reputation could be adversely affected if it fails to meet high safety, quality, social, environmental and ethical standards.

Tata Power believes it has a good corporate reputation and its businesses generally have a high profile in India and internationally. Should any part of Tata Power's operations fail to meet high safety, quality, social, environmental and ethical standards, its corporate reputation could be damaged. This could lead to the rejection of Tata Power as a preferred service provider by customers, devaluation of the Tata brand and diversion of management time into rebuilding and restoring its reputation which could have a material adverse effect on Tata Power's business, financial condition, results of operations and prospects.

31 Tata Power's shareholding in its subsidiaries and joint venture companies may be diluted resulting in an adverse impact on our business and financial position.

A substantial part of Tata Power's business is undertaken through its subsidiaries and joint venture companies. Tata Power regularly provides equity and debt financing to its subsidiaries and joint venture companies. A certain portion of the third party debt financing taken by Tata Power's subsidiaries and joint venture companies requires Tata Power to pledge the shares held by it in its relevant subsidiary or joint venture company in favour of the concerned lender. Any default in such loans by such subsidiary or joint venture company can result in the concerned lender exercising the rights in respect of such pledge and acquiring the shares held by Tata Power in the relevant subsidiary or joint venture company. In such circumstances, Tata Power's ownership in such relevant subsidiary or joint venture company may be diluted. Such an event may have an adverse impact on our business and financial position.

32 Disagreements with Tata Power's joint venture partners or unfavourable terms in the agreements governing those joint ventures could adversely affect Tata Power's operations.

Tata Power currently participates in a number of joint venture arrangements and the acquisition (through its wholly-owned overseas subsidiaries) of a 30% equity interest in the Coal Companies. The success of these joint ventures depends significantly on the satisfactory performance by the joint venture partners and the fulfilment of their obligations. If a joint venture partner fails to perform its obligations satisfactorily, the joint venture may be unable to perform adequately or deliver its contracted services. Tata Power's level of participation in each joint venture varies and it does not have a controlling interest in some operations. In certain instances, Tata Power's ability to withdraw funds (including dividends) from its participation in and its ability to exercise management control over, joint ventures and investments therein depends on receiving the consent of its joint venture partners. Tata Power's operations and revenues may be adversely affected to a material extent if disagreements develop with its joint venture partners and are not resolved in a timely manner.

33 Tata Sons Limited, as principal shareholder of Tata Power, may take actions which may conflict with the interests of other shareholders of Tata Power.

The Principal shareholder of Tata Power is Tata Sons Limited ("Tata Sons") which, as at December 31, 2013, beneficially owned approximately 29.81% of Tata Power's equity shares. Moreover, Tata Sons, along with other Tata Power Group companies and related trusts, together controlled approximately 32.47% of Tata Power's equity shares as at December 31, 2013.

Tata Sons, as a significant shareholder, will continue to have the ability to exert influence over the actions of Tata Power. Tata Sons may also engage in activities that conflict with the interest of Tata Power's shareholders and in such event Tata Power's shareholders could be disadvantaged by these actions. Tata Sons could cause Tata Power to pursue strategic objectives that conflict with the interests of Tata Power's shareholders. For example, Tata Power has engaged in, and will continue to engage in, transactions with members of the Tata Group. Details of Tata Power's related party transactions are set forth under "Note 40 (Related Party Disclosures)" of its audited consolidated financial statements. Conflict of interest may arise between Tata Power, its affiliates and Tata Power's principal shareholder or its affiliates, possibly resulting in the conclusion of transactions of terms not determined by market forces. Any such conflict of interest could adversely affect Tata Power's results of operations and financial covenants.

34 Failure to obtain and retain approvals and licences, or changes in applicable regulations or their implementation, may adversely affect our operations.

Tata Power and certain companies of the Tata Power Group are subject to extensive government regulation. They therefore require certain approvals, licences, registrations and permissions for operating their respective businesses, some of which may have expired and for which they have either made, or are in the process of making, an application for obtaining the approval or its renewal. If Tata Power or any Tata Power Group company fails to obtain or retain any of these approvals or licences, or renewals thereof, in a timely manner, their business may be adversely affected. Furthermore, although we currently obtain and maintain all required regulatory licences, there can be no guarantee that any such licence will not be withdrawn in the future, or that any applicable regulation or method of implementation will not change. This could have a material adverse effect on our business, revenues and results of operations.

35 Tata Power is involved in various legal and other proceedings that, if determined against it, could have a material adverse effect on its financial condition and results of operations.

Tata Power is currently involved in a number of legal and other proceedings arising in the ordinary course of its business. These proceedings are pending at different levels of adjudication before various courts and tribunals. For further information in relation to certain of these legal proceedings, please refer to "*Outstanding Litigation*" on page 143.

Tata Power cannot assure you that these legal proceedings will be decided in its favour or that no further liability will arise out of these proceedings. Furthermore, such legal proceedings could divert management time and attention and consume its financial resources. An adverse decision in any of these proceedings could adversely affect Tata Power's profitability and reputation and could have a material adverse effect on its business, financial condition and results of operations. Furthermore, if any new developments arise, for instance, a change in law or rulings against us by courts or tribunals, Tata Power may face losses and may have to make provisions in its financial statements, which could increase its expenses and its liabilities.

36 The dispute with Reliance Infrastructure Limited in connection with the standby charges payable to the Maharashtra State Electricity Distribution Company Limited has not been resolved and could have a material adverse effect on Tata Power's operations and financial condition.

Tata Power has filed an appeal in the Supreme Court against Orders by the ATE regarding sharing of standby charges between Tata Power and Reliance Infrastructure Limited. The Issuer has, in accordance with the Supreme Court's order, deposited an amount of ₹2,270.0 million and submitted a bank guarantee for such amount. Reliance Infrastructure Limited has withdrawn the entire sum deposited by Tata Power with an undertaking that, in the event of the appeal being decided against Reliance Infrastructure Limited, either in whole or in part, such amount as may be determined as being refundable by Reliance Infrastructure Limited shall be refunded to Tata Power without demur, together with interest as may be determined by the Supreme Court.

As a matter of prudence, Tata Power has accounted for standby charges since April 1, 2004, on the basis determined by the MERC Order. However, no provision has been made in the accounts for the cost of interest that may be finally determined as payable to Reliance Infrastructure Limited. The final outcome of the matter could have a material adverse effect on Tata Power's results of operations and financial condition.

In addition to the dispute relating to standby charges, the dispute with Reliance Infrastructure Limited in connection with "Take or Pay" obligation is still not resolved. Any adverse outcome may affect the financial condition and results of operation of the Issuer.

37 We have some limited operations in countries that are currently subject to U.S. sanctions.

We entered into a memorandum of understanding with the Government of Myanmar in October 2013 to develop a coal-based power plant in Myanmar. We are currently undertaking feasibility studies with respect to the proposed power plant. Myanmar is currently the subject of certain trade restrictions and sanctions administered by the U.S. Department of Treasury's Office of Foreign Asset Control ("OFAC"). We may be subject to negative media or investor attention and/or U.S. sanctions as a result of our limited operations in Myanmar, which may have a material adverse effect on our business, financial condition and results of operations.

38 Tata Power's long-term success is dependent upon its ability to attract and retain key personnel and in sufficient numbers.

Tata Power depends on senior executive and other key management members to implement its projects and business strategies. If any of these individuals resigns or discontinues his or her service, it is possible that an adequate replacement may not be found easily or at all. If this were to happen, there could be a material adverse effect on Tata Power's ability to successfully implement its projects and business strategies.

Going forward, Tata Power intends to continue to develop its management and employee base. This will depend on its ability to attract and retain key personnel. Competition for management and industry experts in the power sector is intense. Tata Power's future performance depends on its ability to identify, hire and retain technical, support, sales and other qualified personnel. Failure to attract and retain such personnel could have a material adverse impact on its ability to implement planned projects and on Tata Power's business in general. Further, if the Government imposes on Tata Power the requirement to employ specified individuals in accordance with Government set targets, Tata Power may be forced to employ individuals without the requisite skills. This could have a material adverse impact on Tata Power's business and its prospects.

39 Tata Power may not have sufficient insurance coverage to cover all possible economic losses.

Tata Power relies upon insurance coverage to insure against damage and loss to its projects that may occur during construction and operation. Tata Power purchases such additional insurance coverage as it believes to be commercially appropriate as new projects enter the construction and operation phases. Nevertheless, the insurance Tata Power obtains may not be sufficient to protect it from all losses.

Should an uninsured loss or a loss in excess of insured limits occur, Tata Power would lose the capital invested in and the anticipated revenue from the affected property. Tata Power would also remain liable for any debt or

other financial obligation related to that property. Losses suffered due to inadequate coverage may have a material adverse impact on Tata Power's business, results of operations and financial condition.

40 Operations could be adversely affected by strikes, work stoppages or increased wage demands by employees or any other kind of disputes with employees.

As at December 31, 2013, Tata Power employed [●] people and will seek to increase the number of its employees. There can be no assurance that Tata Power will not experience disruptions to its operations due to disputes or other problems with its work force, which may adversely affect its business. Furthermore, a large number of Tata Power's employees are members of labour unions. Although these unions are not affiliated to national labour organisations, any actions by these labour unions may divert management's attention and result in increased costs to Tata Power. Tata Power may be unable to negotiate acceptable collective bargaining agreements with those who have chosen to be represented by unions, which could lead to union-initiated work stoppages, including strikes.

Tata Power enters into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although Tata Power does not engage these labourers directly, it is possible under Indian law that Tata Power may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect Tata Power's business, financial condition and results of operations. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, Tata Power may be required to absorb a portion of such contract labourers as its employees.

Furthermore, labour activism could adversely affect Tata Power's Indonesian investments and key fuel sourcing arrangements from Indonesia which could, in turn, adversely impact our business, financial condition, results of operations and prospects. Laws permitting the formation of labour unions combined with weak economic conditions, have resulted, and may in the future result, in labour unrest and activism in Indonesia. Any significant labour dispute or labour action in Indonesia could have a material adverse effect on Tata Power's business, financial condition, results of operations and prospects.

Risks relating to the power sector in India

41 The Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 may adversely impact the profitability/growth of Tata Power's Maithon unit, which could have an adverse effect on its business, financial condition and results of operations

The CERC has, on February 21, 2014, issued the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 ("**2014 Tariff Regulations**"), which shall be effective from April 1, 2014 through March 31, 2019. These 2014 Tariff Regulations could impact the profitability and growth of Tata Power's Maithon unit on account of the followings reasons:

- a) the incentive to a generating station or a unit thereof, payable at a flat rate of ₹50 paise/kWh, has been linked to plant load factor, instead of plant availability factor, as was the case in the previous tariff regulations issued by the CERC. Plant availability factor is the declared generation capacity of a plant, which would remain the same, however, plant load factor is the actual generation of a plant and may vary depending on demand. The implication of this provision is that the incentive available to Tata Power's Maithon unit will be contingent on demand, which could fluctuate;
- b) the return on equity remains unchanged and shall be computed at the base rate of 15.50%, thereby keeping the CERC regulated power sector unattractive for new investments; and
- c) the financial gains by a generating company on account of controllable parameters (namely, station heat rate; secondary fuel oil consumption; auxiliary energy consumption; and re-financing of loan) are required to be shared between such generating company and the distribution licensee who is purchasing electricity generated through a power purchase agreement in the ratio of 60:40 on monthly basis.

These provisions, when taken together, are likely to have an overall negative impact on the profitability and growth of Tata Power's Maithon unit, which could in turn have an adverse effect on its business, financial condition and results of operations.

42 General conditions in the power sector, including historically weak payment records or difficulties enforcing relevant state government guarantees, could significantly adversely affect our revenues and results of operations.

The Indian power sector is vulnerable to the Government's political will to allow reforms and privatisation of the sector. The historically weak financial position of the power sector, especially that of the state electricity boards ("SEBs"), has an impact on the industry as a whole. The SEBs are significant customers for the Mundra UMPP and the Maithon plant. The state-owned power distribution companies have had a weak credit history and there can be no assurance that these entities will pay their obligations in a timely manner or at all. Power projects in which we have invested or in which it plans to invest may sell power to the state power companies formed as a result of the privatisation of the majority of the SEBs. However, as a result of the state companies' generally weak payment record, project companies established to develop and operate the power projects would normally seek (and would normally require for the purpose of obtaining bank finance) additional payment assurance in the form of bank letters of credit and escrow arrangements. Nevertheless, there can be no assurance that the vulnerable condition of the sector, including the trend of substantial payment defaults by customers, will not adversely affect our revenues and results of operations.

We may face difficulties in enforcing state government guarantees under PPAs compared to guarantees granted by private sector procurers. In the past, when faced with disputes and counterclaims between transmission companies, electricity boards and generation companies cause by a variety of factors, certain state governments have refused to perform their obligations under such guarantees until such disputes or counterclaims have been fully resolved. Reaching such a final resolution may require a substantial period of time and may have a material adverse effect on the cash flow, revenue, business prospects and results of operations of the relevant Tata Power Group company.

Furthermore, in order to promote renewable generation, the various State Electricity Regulatory Commissions ("SERCs") usually declare preferential tariffs for renewable power and renewable purchase obligations for SEBs and distribution licensees. The recovery of such tariff from SEBs and distribution licensees may be very difficult. In addition, if the subsidies and preferential tariffs for renewable power are withdrawn by the SERCs, returns on our renewable generation capacity will be lower, which could have a material adverse effect on our financial position and results of operations.

43 The provisions of the Electricity Act, 2003 and tariff regulations have increased our competition in the power sector. Changes in captive power status for projects could result in an increase in costs.

The Electricity Act, 2003 has resulted in changes in the power sector in India, including de-licensing of generation, greater competition in supply, open access to distribution and transmission systems and the reorganization and privatization of certain of the SEBs. However, while we have greater flexibility to sell power, the provisions of the Electricity Act, 2003 increased the scope for competition in our supply and distribution businesses, and may continue to do so, which could adversely affect our revenues, results of operations and prospects. The continued impact of the provisions of the Electricity Act, 2003 and the National Electricity Policy could have a material adverse effect on our revenues and results of operations.

The provisions of the Electricity Act, 2003 and the rules and regulations thereunder govern power tariffs in India. Under these regulations, these tariffs are either established through competitive bidding or determined by central or state regulations (other than tariffs under captive power projects and contracts for the sale of power with a term of less than one year, which are each not subject to regulatory restriction). The competitive bidding guidelines allow bidders to quote on a tariff composed of a fixed element (which is fixed for the entire term of the contract) and a floating element (which is escalated semi-annually based on an index prescribed by the regulator). In respect of the supply of electricity for which the tariff is determined by the state regulator, we must submit a forecast of our aggregate revenue requirement and expected revenue from the tariff and charges for each financial year for approval by the state regulator.

Under the Electricity Act, 2003, state governments have inherent powers to regulate, although the body which primarily carries out this function is the CERC. In case of a shortage of power in the state where our projects could be located, the states may impose restrictions on the sale of power to parties outside the state. This could create a shortfall in the performance of our power supply obligations as well as loss of potential opportunities.

Tata Power's operations in Mumbai accounted for approximately [●] MW of installed capacity as at December 31, 2013. Also, the Issuer has an installed capacity of approximately [●] MW on a merchant basis outside Mumbai as at December 31, 2013. The power generated under the merchant capacity is sold in the open wholesale market. Consequently, the sale of the merchant capacity depends on the fluctuations of the wholesale merchant market and any reduction in the tariffs of merchant capacity could have an adverse effect on Tata Power's revenues.

In relation to tariffs, which are to be approved by the SERC, there can be no assurance that any additional costs will be recovered. In addition, in the case of contracts which are won through the competitive bidding process, there can be no assurance that our estimates when calculating such costs and charges will be accurate or effective and enable us to recoup our underlying costs (including fuel costs) under such contracts. In such a scenario, Tata Power (or its relevant subsidiary or joint venture) which constructs and operate the relevant power plant, could be liable for significantly increased costs and would only be able to pass on a part of these increased costs to the purchasers of power. Further, tariff regulations are subject to change by the regulator, which may have a material adverse impact on our ability to pass on costs to the same extent, as we are currently able. All of the above could have an adverse effect on our revenues and results of operations.

As at September 30, 2013, TPDDL is carrying regulatory dues (regulator being the Delhi Electricity Regulation Commission) of approximately ₹ [●] billion. TPDDL has received a tariff increase of 8% towards recovery these regulatory dues (out of the total tariff hike of 29% in Fiscal Year 2013). A periodic tariff revision from the regulator is necessary to recover the balance regulatory dues in the coming years. In case the increases are not permitted, it may result in strained cash flows for Tata Power and may have an adverse effect on its financial condition and results of operations.

44 Our captive power projects benefit from “captive power” status under applicable legislation. Any change in such status could result in an increase in our costs.

Under the Electricity Act, 2003, captive power projects benefit from lesser regulation and are not subject to tariff regulations and restrictions imposed by the CERC and SERCs. For such projects, the buyer and seller are free to negotiate and agree the relevant tariff without regulatory input or approval. However, such projects need to meet certain structural requirements to be afforded captive power status. Currently, the captive status of the Jojobera thermal power plant is under regulatory scrutiny. This scrutiny, as well as any future investigations or questions from the regulators in relation to captive power status afforded to Jojobera or other projects, will result in an increase in management time spent attending to such investigations or questions, which may detract from our business and adversely affect our results of operations and prospects. There can be no assurance that any of our captive power projects, whether current or future, will obtain or retain captive status, which could result in additional tariff regulations which could adversely affect our revenues and results of operations. Further, any amendments to the conditions required to obtain captive power status made by the regulators could result in an increased cost to us in complying with these conditions or a loss of captive power status altogether.

45 Activities in the power generation business can be dangerous and can cause injury to people or property in certain circumstances. This could subject Tata Power to significant disruptions in its business and to legal and regulatory action, which could adversely affect its business, financial condition and results of operations.

The power generation business requires Tata Power to work under potentially dangerous circumstances and with highly flammable and explosive materials. Despite compliance with requisite safety requirements and standards, Tata Power's operations are subject to hazards associated with handling of such dangerous materials. If improperly handled or subjected to unsuitable conditions, these materials could hurt its employees, contract labourers or other persons, cause damage to its properties and properties of others and harm the environment. Due to the nature of these materials, Tata Power may be liable for certain costs related to hazardous materials, including cost for health related claims, or removal or treatment of such substances, including claims and litigation from its current or former employees for injuries arising from occupational exposure to materials or other hazards at its power plants. This could subject Tata Power to significant disruption in its business and to

legal and regulatory actions, which could adversely affect its business, financial condition and results of operations.

46 Changes in technology may affect Tata Power's business by making its equipment or power projects less competitive or obsolete.

Tata Power's future success will depend, in part, on its ability to respond to technological advances and emerging power generation industry standards and practices on a cost-effective and timely basis. Changes in technology and high fuel costs of thermal power projects may make newer generation power projects or equipment more competitive than more traditional power projects or may require Tata Power to make additional capital expenditures to upgrade its facilities. In addition, there are other technologies that can produce electricity. The primary alternative technologies are fuel cells, micro turbines, windmills and solar photovoltaic cells. If Tata Power is unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, its business and financial performance could be adversely affected.

47 There may be other changes to the regulatory framework that could adversely affect us.

The statutory and regulatory framework for the Indian power sector has changed significantly in recent years and the full impact of these changes is unclear. There are likely to be more changes in the next few years. The Electricity Act has put in place a framework for reforms in the sector, but in many areas the details and timing of reforms are yet to be determined. It is expected that many of these reforms will take time to be implemented. Furthermore, there could be additional changes in tariff policy, requirements for unbundling of the SEBs, restructuring of companies in the power sector, open access and parallel distribution and licensing requirements for, and tax incentives applicable to, companies in the power sector. Such additional changes could adversely affect our business prospects, financial condition and results of operations.

External risks which impact Tata Power and the Tata Power Group

48 Fluctuations in interest rates and exchange rates could result in foreign exchange losses

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. A depreciation of the value of the Rupee will affect the cost of our purchases denominated in currencies other than the Rupee. In addition imported coal accounts for a significant portion of the total coal purchased by us for our directly owned power stations. The recent depreciation of the Rupee has increased the costs of coal imports by us. Any significant fluctuation in exchange rates to our disadvantage may increase the cost of our debt and derivative contracts and generally have a material adverse effect on our results of operations.

We have significant borrowings in foreign currency. Interest on many of these loans floats with reference to the LIBOR. We continually monitor our exposure to exchange rate fluctuations and periodically engage in currency and interest rate hedging in order to decrease its foreign exchange exposure when it is deemed to be appropriate. However, there can be no assurance that such hedging arrangements will fully protect us against exchange rate fluctuations. A weakening of the Rupee against the U.S. dollar, Yen and other major foreign currencies may have a material adverse effect on its cost of borrowing in Rupee terms, and consequently may increase the cost of financing of its expenditure in Rupee terms. This could have a material adverse effect on our results of operations and financial condition.

49 Our overseas investments and business activities may be subject to unforeseen risks.

In recent years, we have expanded its business activities overseas and have operations and investments in a number of jurisdictions, including Indonesia and Bhutan. We also plan to undertake investments and operations in countries such as Vietnam, South Africa and Georgia. These international operations are subject to special risks that can materially affect our results of operations. These risks include, but are not limited to, the following:

- unsettled political conditions, war, civil unrest and hostilities in foreign countries;
- underdeveloped legal systems;

- economic instability in foreign markets;
- the impact of inflation;
- fluctuations and changes in currency exchange rates; and
- governmental action such as expropriation of assets, general legislative and regulatory environment, exchange controls, changes in global trade policies such as trade restrictions and embargoes imposed by the United States and other countries.

To date, instability in the overseas political and economic environment has not had a material adverse effect on our condition or results of operations. However, we cannot predict the effect that current conditions affecting various foreign economies or future changes in economic or political conditions abroad could have on our business activities. Any of the foregoing factors could have a material adverse effect on our international operations and, therefore, our business, financial condition and results of operations.

50 Increasingly stringent environmental regulations may adversely affect our business, results of operations and prospects.

Our power plants are subject to environmental regulations promulgated by the Ministry of Environment and the State Pollution Control Boards. In the event that an environmental hazard were to be found at the site of one of its power stations, or if the operation of the power stations were to result in material contamination of the environment, Tata Power or its relevant Tata Power Group company could be subject to substantial liabilities to the Government, the state governments and to third parties. Such liabilities may be expensive to remedy. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of production or a material increase in costs, or otherwise have a material adverse effect on our business, financial condition, results of operations or prospects.

Despite using low ash, low sulphur coal imported from Indonesia where possible, we generate a considerable amount of ash in its operations. There are limited options for utilising ash and therefore the demand for ash is currently low. Our current methods to utilise or dispose of ash may be insufficient to dispose of the ash that it expects to generate. Tata Power is subject to a government requirement that 100% of the fly ash produced through its generation activities must be gainfully utilised by 2014. Compliance with this requirement, as well as any future norms with respect to ash utilisation, may add to our capital expenditure. The Tubed coal mine and Mandakini coal mine, expected to be operational from mid-2014 are open cast mines.

It is also possible that increasingly strict environmental regulations in relation to power plants in India may be imposed in the future, compliance with which could require significant capital expenditure. This could adversely affect our revenues, results of operations and prospects. Further, the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty.

51 Tata Power's business, operations and sources of fuel may be adversely affected by the occurrence of certain natural phenomena.

Weather, geological conditions and natural phenomena could adversely affect Tata Power's business. Seasonal rainfall, flooding and forest fires could affect mining operations, including the KPC and Arutmin mines in Indonesia. India and Indonesia have each experienced severe natural phenomena in recent years, including drought, floods, earthquakes, tsunamis and cyclones. In December 2004, Southeast Asia, including the eastern coast of India, experienced a tsunami and in October 2005, the State of Jammu and Kashmir experienced an earthquake, both of which caused significant loss of life and property damage. Such weather conditions and other phenomena could affect or interrupt the supply of coal to Tata Power's thermal generation operations and could adversely affect its revenues and results of operations. The Indonesian Archipelago is one of the most volcanically active regions in the world. As it is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive earthquakes and tsunamis, or tidal waves. Earthquakes may destroy, damage or interrupt the construction and productivity of Tata Power's power plants and have a material adverse effect on Tata Power's business, results of operations and prospects.

The amount of electricity generated by hydroelectric power systems is dependent upon available water flow. While Tata Power has selected its hydroelectric sites on the basis of output projections, there can be no

assurance that the water flows will be consistent with its projections, or that the water flow required to generate the projected outputs will exist. Tata Power cannot be certain that the long-term historical water availability will remain unchanged in the future or that no material hydrological event will impact the hydrological conditions that currently exist at its operations. Accordingly, adverse hydrological conditions whether seasonal or for an extended period of time, which result in lower, inadequate and/or inconsistent water flow may render hydroelectric power stations incapable of generating adequate electrical energy, which may have a material adverse effect on Tata Power's operations and financial condition.

52 If regional hostilities, terrorist attacks or social unrest in some parts of the country increase, Tata Power's business and the trading price of the Equity Shares could be adversely affected.

India has from time to time experienced social and civil unrest and hostilities with neighbouring countries. India has also experienced terrorist attacks in various parts of the country. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on Tata Power's business, its future financial performance and the trading price of the Equity Shares.

53 A slowdown in economic growth in India could cause Tata Power's business to suffer.

Tata Power's performance and the growth of its business are necessarily dependent on the health of the overall Indian economy. As a result, any slowdown in the Indian economy could adversely affect Tata Power's business. The economic growth of India has deteriorated in the last financial year. It is difficult to gauge the impact of these fundamental economic changes on the Tata Power's business. Any further slowdown in the Indian economy could adversely affect Tata Power's business, results of operations, financial condition and prospects.

54 A downgrade in ratings of India may affect the trading price of the Equity Shares.

In April and June 2012, S&P and Fitch, respectively, revised the outlook on the long-term ratings on India from "stable" to "negative", citing factors such as the slowdown in India's investment and economic growth and the widened current account deficit, resulting in weaker medium term credit, as well as structural challenges such as corruption, inadequate economic reforms and elevated inflation.

On June 8, 2012 and January 8, 2013, S&P and Fitch, respectively, announced that they might lower India's credit rating below investment-grade, citing slowing GDP growth, setbacks or reversals in India's economic policy, widening fiscal deficit and/or increasing spreads of credit default swaps for Indian banks. On October 10, 2012, S&P stated that a downgrade would be likely if the country's economic growth prospects dim, its external position deteriorates, its political climate worsens or fiscal reforms slow. However, these rating agencies also indicated that they might revise their outlook to "stable" if the government implements initiatives to reduce structural fiscal deficits, improves its investment climate and increases growth prospects. S&P reiterated on May 17, 2013 that, although there has been some easing of pressure towards a downgrade of the rating, there is still a more than one-in-three likelihood of such a downgrade unless significant improvements in factors such as a high fiscal deficit and levels of government borrowing are seen.

There can be no assurance that these ratings will not be further revised or changed by S&P, Fitch or Moody's or that any of the other global rating agency will not downgrade India's credit rating.

Any adverse revisions to India's credit ratings Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact Tata Power's ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect the cost of funds available to Tata Power and the trading price of the Equity Shares.

55 A significant change in the Government's policies could adversely affect our business and the trading price

Tata Power's assets and customers are predominantly located in India. The Indian government (the Government) has traditionally exercised and continue to exercise a dominant influence over many aspects of the economy. The Government's economic policies have had and could continue to have a significant effect on public sector entities, including Tata Power, and on market conditions and prices of Indian securities, including securities issued by Tata Power.

The most recent parliamentary elections for the Lok Sabha (the lower house of the Indian Parliament) took place in May 2009. The next election for Lok Sabha will take place in the second quarter of 2014 before the term of the current Lok Sabha expires on May 31, 2014. Although there has been no significant change in the Government's policies since May 2009, current macroeconomic conditions could lead to certain policy and administrative steps which in turn could result in a wider fiscal deficit and, consequently, a downgrade in sovereign ratings.

Any significant change in the Government's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India and could adversely affect our business in particular.

56 Increased volatility or inflation of commodity prices in India could adversely affect Tata Power's business

In recent months, consumer and wholesale prices in India have exhibited marked inflationary trends, with particular increases in the prices of food, metals and crude oil. According to the RBI Handbook of Statistics on the Indian Economy, inflation measured by the Indian Wholesale Price Index increased from 1.6% as of March 31, 2009 to 10.4% as of March 31, 2010 and decreased to 9.7% as of March 31, 2011 and to 7.7% as of March 31, 2012. It was 7.7% as of November 2013. India's current inflation is led by rises in food prices, while inflation in the manufacturing sector and basic metals is driven in part by continuing Rupee weakness and international commodity price pressures. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Failures of the RBI's policies to curb inflation could adversely impact the Tata Power's business, financial condition and results of operations.

Risks relating to the objects of this Issue

57 Significant differences exist between Indian GAAP and other accounting principles, which may be material to investor's assessments of Tata Power's financial condition.

Our financial statements, including the financial statements included in this Letter of Offer, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of other accounting principles, such as U.S. GAAP or IFRS, on the financial data included in this Letter of Offer, nor do we provide a reconciliation of its financial statements to those prepared pursuant to U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should, accordingly, consult their own professional advisors before relying on the financial disclosures presented in this Letter of Offer.

58 The effects of the planned convergence with IFRS and adoption of 'Indian Accounting standards converged with IFRS' ("IND-AS") are uncertain and any failure to successfully adopt IND-AS could adversely affect Tata Power's business and the trading price of the Equity Shares.

We may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, Government of India (the "MCA"). The MCA has announced that it will implement IND-AS in a phased manner after various issues including tax-related issues are resolved. No date has yet been announced for implementation.

We have not determined with any degree of certainty the impact that such adoption will have on its financial reporting. Further, the new accounting standards will change, among other things, our methodology for

estimating allowances for probable loan losses and for classifying and valuing its investment portfolio and its revenue recognition policy. For estimation of probable loan losses, the new accounting standards may require us to calculate the present value of the expected future cash flows realisable from its loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in our recognising allowances for probable loan losses in the future which may be higher or lower than under current Indian GAAP. Therefore, there can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. In our transition to IND-AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IND-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that our adoption of IND-AS will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt IND-AS could adversely affect our business and the trading price of the Equity Shares.

59 Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us, our directors or executive officers.

Substantially all of our Directors and executive officers and key managerial personnel are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon Tata Power or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India.

Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except: (a) where it has not been pronounced by a court of competent jurisdiction; (b) where it has not been given on the merits of the case; (c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained are opposed to natural justice; (e) where it has been obtained by fraud; and (f) where it sustains a claim founded on a breach of any law in force in India.

Under the Civil Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

The United Kingdom, Singapore and Hong Kong, amongst others have been declared by the Government of India to be a "reciprocating territory" for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit resulting in a judgment or order and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. A judgment of a superior court of a country which is a reciprocating territory may be enforced by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The latter suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Execution of a judgment or repatriation outside India of any amounts received is subject to the approval of the RBI, wherever required. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was

excessive or inconsistent with public policy, and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

60 There may be differences in company information available in the Indian securities markets than securities markets in developed countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and other developed countries. SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in developed countries.

61 The proposed new taxation system could adversely affect Tata Power's business and the trading price of the Equity Shares.

The Government has proposed three major reforms in Indian tax laws, namely the goods and services tax, the direct taxes code and provisions relating to GAAR.

As regards the implementation of the goods and service tax and the direct tax code, the Government has not specified any timeline for their implementation. The goods and services tax would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and excise currently being collected by the central and state governments. The direct taxes code aims to reduce distortions in tax structure, introduce moderate levels of taxation, expand the tax base and facilitate voluntary compliance. It also aims to provide greater tax clarity and stability to investors who invest in Indian projects and companies as well as clarify the taxation provisions for international transactions. It aims to consolidate and amend laws relating to all direct taxes like income tax, dividend distribution tax and wealth tax and facilitate voluntary compliance.

As regards GAAR, the provisions have been introduced in the Finance Act, 2012 to come into effect from April 1, 2016. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on the banking system cannot be determined as of the date of this Letter of Offer and there can be no assurance that such effects would not adversely affect Tata Power's business, future financial performance and the trading price of the Equity Shares.

62 Tata Power has not commissioned an independent appraisal for the use of the proceeds of this Issue. Furthermore, while Tata Power will appoint a monitoring agency to monitor the use of the proceeds of this Issue, it has not entered into any definitive agreements to use the proceeds of this Issue.

Tata Power intend to use the proceeds of this Issue for (a) part funding of capital expenditure proposed to be incurred by Tata Power in terms of the orders of the MERC under the MYT Regulations towards the generation, transmission and distribution of electricity in the Mumbai License Area, (b) part repayment of certain borrowings of Tata Power, (c) extending facilities to our Subsidiary, CGPL, which shall, in turn, be utilised by CGPL towards part repayment of certain of its outstanding loans; and (d) general corporate purposes.

As of the date of this Letter of Offer, Tata Power has not entered into definitive agreements to the extent of the entire proceeds of the Issue and the requirement of funds for meeting the objects of this Issue have not been appraised by any bank or financial institution, and are based on, amongst other things, the mandates of the MERC under the MYT Regulations (in relation to the capital expenditure proposed to be incurred by Tata Power towards the generation, transmission and distribution of electricity in the Mumbai License Area) and our management's internal estimates. Furthermore, Tata Power has not identified the general corporate purposes for

which it intend to utilise a portion of the proceeds of the Issue. For further details, please refer to “Objects of the Issue” on page 99 of this Letter of Offer.

Risks related to the Equity Shares and the Issue

63 Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of equity shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of equity shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

64 An active market for Tata Power’s Equity Shares may not be sustained, which may cause the price of its Equity Shares to fall.

While Tata Power’s Equity Shares are currently listed on BSE and NSE, and are currently frequently traded in terms of the Takeover Regulations, there can be no assurance regarding the continuity of the existing active or liquid market for Tata Power’s Equity Shares, the ability of Investors to sell their Equity Shares or the prices at which Investors may be able to sell their Equity Shares. In addition, the market for debt and equity securities in emerging markets has been subject to disruptions that have caused volatility in the prices of securities similar to Tata Power’s Equity Shares. There can be no assurance that the market for the Equity Shares offered hereunder will not be subject to any similar disruption. Any disruption in these markets may have an adverse effect on the market price of Tata Power’s Equity Shares.

65 There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder’s ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Tata Power’s Equity Shares are subject to a daily “circuit breaker” imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The maximum movement allowed in the price of the Equity Shares before the circuit breaker is triggered is determined by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The Stock Exchanges do not inform Tata Power of the triggering point of the circuit breaker in effect from time to time, and may change it without its knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, Tata Power cannot assure you of your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

66 A third party could be prevented from acquiring control of Tata Power because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of Tata Power, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the Takeover Regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions

may also discourage a third party from attempting to take control of Tata Power. Consequently, even if a potential takeover of Tata Power would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

67 Since Tata Power's Equity Shares are quoted in Indian rupees in India, Investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Non-resident Investors are subject to currency fluctuation risk and convertibility risk since the Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian rupees. The volatility of the Indian rupee against the U.S. dollar and other currencies subjects investors who convert funds into Indian rupees to purchase Tata Power's Equity Shares to currency fluctuation risks.

68 There is no guarantee that the Equity Shares will be listed on BSE and NSE in a timely manner or at all and Investors will be subject to market risks until the Equity Shares credited to the Investor's demat account are listed and permitted to trade.

In accordance with Indian law and practice, permissions for listing of the Equity Shares will not be granted until after the Equity Shares offered in the Issue have been issued and allotted. Approvals from the Stock Exchanges will require all other relevant documents authorizing the issuance of Equity Shares to be submitted. As a result, there could be a failure or delay in listing the Equity Shares on BSE and NSE. Any failure or delay in obtaining these approvals would restrict your ability to dispose of your Equity Shares.

Investors cannot trade in the Equity Shares until after receipt of the listing and trading approvals from BSE and NSE in respect of such Equity Shares. Since the Equity Shares are already listed on the Stock Exchanges, Investors will be subject to market risks from the date they pay for the Equity Shares to the date such Equity Shares are listed and permitted to trade. Furthermore, there can be no assurance that the Equity Shares allocated to Investors will be credited to their respective demat accounts, or that trading in the Equity Shares will commence within the prescribed time periods.

69 Any trading closures at the BSE and the NSE may adversely affect the trading price of the Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and other jurisdictions. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

70 Any further issue of Equity Shares by Tata Power may lead to a dilution of an Investor's shareholding in it. Furthermore, significant sales of Equity Shares by Tata Power's major shareholders may affect the trading price of the Equity Shares.

Any future equity offerings by Tata Power may lead to a dilution of Investor shareholding in it or affect the market price of the Equity Shares. Additionally, sales of a large number of the Equity Shares by the Company's Promoter, Promoter Group or principal shareholders could adversely affect the market price of the Equity Shares. There can be no assurance that Tata Power will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by Investors that such issuances or sales might occur could also affect the trading price of Tata Power's Equity Shares.

71 There may be comparatively less active or liquid market for Tata Power's Equity Shares, which may cause the price of the Equity Shares to fall and may limit investors' ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- Tata Power's financial results and the financial results of the companies in the businesses in which Tata Power operates;
- the history of, and the prospects for, Tata Power's businesses and the sectors and industries in which it competes;
- the valuation of publicly traded companies that are engaged in business activities similar to Tata Power's;
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of Tata Power's operating performance or prospects.

72 Investors may be subject to Indian taxes arising out of capital gains.

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares in an Indian company held for more than 12 months which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Further, Indian tax on capital gains, both short and long term, may be relieved from the tax burden under certain tax treaties with other countries, if operative.

73 Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be diluted in their ownership position.

Under the Companies Act, a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares which are voted on the resolution or unless the company has obtained Government approval to issue shares without such rights. Moreover, if the law of an investor's jurisdiction does not permit investors to exercise their pre-emptive rights without the company filing an offering document or registration statement with the applicable authority of such jurisdiction, such investor will be unable to exercise their pre-emptive rights unless the company makes such a filing. To the extent that an investor is unable to exercise pre-emptive rights granted in respect of the Equity Shares, their proportional interest in Tata Power may be reduced.

SECTION III – INTRODUCTION

SUMMARY OF THE ISSUE

The Board of Directors of our Company has pursuant to a resolution passed at their meeting held on February 27, 2014 authorized Issue. The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter “Terms of the Issue” on page 161 of this Letter of Offer.

Equity Shares offered in this Issue	33,22,30,130 Equity Shares
Rights Entitlement	7 Equity Shares for every 50 fully paid-up Equity Shares held on the Record Date.
Record Date	March 20, 2014
Face Value per Equity Share	₹ 1
Issue Price per Equity Share	₹ 60
Equity Shares outstanding prior to the Issue	2,37,30,72,360 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription and Allotment of the Rights Entitlement)	2,70,53,02,490 Equity Shares
Issue Size	Aggregating ₹ 19,93,38,07,800
Terms of the Issue	For further information, please refer to “ <i>Terms of the Issue</i> ” on page 161 of the Letter of Offer.
Use of Net Proceeds	For further information, please refer to “ <i>Objects of the Issue</i> ” on page 99 of the Letter of Offer.

Terms of Payment

Due Date	Amount
On the Issue application (i.e. along with the CAF)	₹ 60 which constitutes 100% of the Issue Price

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Audited Consolidated Financial Statements, Audited Standalone Financial Statements, Audited Interim Standalone Financial Statements and Unaudited Consolidated Interim Financial Statements.

Our summary financial information presented below, is in Rupees/ Rupees Crore and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in “*Financial Information*” on page 132 of this Letter of Offer.

Audited Standalone Statement of Assets and Liabilities

Particulars	As at	
	31-Mar-13	31-Mar-12
	₹ Crore	₹ Crore
A EQUITY AND LIABILITIES		
1. Shareholders' Funds		
a) Share capital	237.33	237.33
b) Reserves and surplus	10,803.46	10,388.82
Sub-total - Shareholders' Funds	11,040.79	10,626.15
2. Unsecured perpetual securities	1,500.00	1,500.00
3. Statutory consumer reserves	604.23	597.23
4. Special appropriation towards project cost	533.61	533.61
5. Service line contributions from consumers	82.22	64.02

6. Non-current liabilities		
a) Long-term borrowings	8,452.57	6,875.05
b) Deferred tax liabilities (net)	805.49	419.02
c) Other long-term liabilities	99.81	93.70
d) Long-term provisions	413.19	480.52
Sub-total - Non-current Liabilities	9,771.06	7,868.29
7. Current liabilities		
a) Short-term borrowings	1,172.15	758.06
b) Trade payables	923.55	1,061.55
c) Other current liabilities	2,027.64	1,586.25
d) Short-term provisions	437.61	386.14
Sub-total - Current Liabilities	4,560.95	3,792.00
TOTAL - EQUITY AND LIABILITIES	28,092.86	24,981.30
B ASSETS		
1. Non-current assets		
a) Fixed assets	8,489.32	7,783.07
b) Non-current investments	10,859.68	9,208.54

c) Long-term loans and advances	2,190.06	1,230.95
d) Other non-current assets	2,758.67	1,732.15
Sub-total - Non-current Assets	24,297.73	19,954.71
2. Current assets		
a) Current investments	258.56	584.14
b) Inventories	761.09	854.47
c) Trade receivables	1,300.06	1,003.37
d) Cash and bank balances	413.17	1,037.35
e) Short-term loans and advances	955.09	1,357.68
f) Other current assets	107.16	189.58
Sub-total - Current Assets	3,795.13	5,026.59
TOTAL - ASSETS	28,092.86	24,981.30

Audited Standalone Statement of Profit and Loss

Particulars	Year ended	
	31-Mar-13	31-Mar-12
(A)	MUs	MUs
1. Generation	15,770	15,230
2. Sales	16,002	15,240
(B)	₹ Crore	₹ Crore
1. Income from operations		
a) Revenue from power supply and transmission charges	7,947.89	7,283.17
Add: Income to be recovered in future tariff determination (net)	1,028.72	729.53
Add: Income to be recovered in future tariff determination (net) in respect of earlier years	104.72	38.83
Net Revenue	9,081.33	8,051.53
b) Other operating income (net of excise duty)	485.95	444.31
Total income from operations (net)	9,567.28	8,495.84
2. Expenses		
a) Cost of power purchased	623.39	647.53
b) Cost of fuel	5,244.40	4,636.89
c) Cost of components, materials and services in respect of contracts	150.75	154.77
d) Employee benefits expense	547.60	512.65
Depreciation and amortisation expense	364.10	570.35

e) Other expenses	949.46	759.37
Total expenses	7,879.70	7,281.56
3. Profit from operations before other income, finance costs and tax (1-2)	1,687.58	1,214.28
4. Other Income		
a) (Loss)/Gain on exchange (net)	(27.62)	96.07
b) Others	721.67	887.39
5. Profit before finance costs and tax (3+4)	2,381.63	2,197.74
6. Finance costs	678.25	514.87
7. Profit before tax (5-6)	1,703.38	1,682.87
8. Tax expense	678.69	513.14
9. Net profit after tax (7-8)	1,024.69	1,169.73
10. Paid-up equity share capital		
(Face Value: ₹ 1/- per share)	237.33	237.33
11. Reserves excluding Statutory Reserves and Revaluation Reserves	10,803.46	10,388.82
12. Basic Earnings per Share (not annualised for quarters) (In ₹)	3.44	4.53
Diluted Earnings per Share (not annualised for quarters)		
13. (In ₹)	3.44	4.53
14. Debt Service Coverage Ratio (no. of times)	2.62	2.96
15. Interest Service Coverage Ratio (no. of times)	3.53	4.23
16. Final Dividend		

Rate per share (In ₹) (Face Value ₹ 1/-)	1.15	1.25
Amount (₹ In crore)	273.17	296.92

Audited Consolidated Statement of Assets and Liabilities

Particulars	As at	
	31-Mar-13	31-Mar-12
	₹ Crore	₹ Crore
A EQUITY AND LIABILITIES		
1. Shareholders' Funds		
a) Share capital	237.29	237.29
b) Reserves and surplus	10,501.19	10,875.00
Sub-total - Shareholders' Funds	10,738.48	11,112.29
2. Unsecured perpetual securities	1,500.00	1,500.00
3. Statutory consumer reserves	604.23	617.77
4. Minority Interest	2,064.60	1,631.27
5. Special appropriation towards project cost	533.61	533.61
6. Capital Grant	8.91	9.39
7. Service line contributions from consumers	450.56	401.32

8. Non-current liabilities		
a) Long-term borrowings	31,599.34	29,733.11
b) Deferred tax liabilities (net)	1,025.41	647.05
c) Other long-term liabilities	949.11	1,181.30
d) Long-term provisions	1,164.59	1,043.50
Sub-total - Non-current Liabilities	34,738.45	32,604.96
9. Current liabilities		
a) Short-term borrowings	3,547.18	2,186.74
b) Trade payables	3,540.85	2,750.13
c) Other current liabilities	8,776.13	7,376.60
d) Short-term provisions	778.41	888.01
Sub-total - Current Liabilities	16,642.57	13,201.48
TOTAL - EQUITY AND LIABILITIES	67,281.41	61,612.09

Audited Standalone Statement of Profit and Loss

Particulars	Year ended	
	31-Mar-13	31-Mar-12
	₹ Crore	₹ Crore
1. Income from operations		
a) Revenue	30,875.28	23,310.98
Add : Income to be recovered in future tariff determination (net)	1,856.05	2,519.06
Add/(Less): Income to be recovered in future tariff determination (net) in respect of earlier years	104.72	38.83
Net Revenue	32,836.05	25,868.87
b) Other operating income (net of excise duty)	189.38	132.53
Total Income from operations (net)	33,025.43	26,001.40
2. Expenses		
a) Cost of power purchased	7,818.66	6,122.61
b) Cost of coal purchased	-	76.74
c) Cost of fuel	9,661.60	6,309.12
d) Raw materials consumed	386.74	358.87
e) Purchase of goods / spares / stock for resale	37.47	62.14
f) Cost of components, materials and services in respect of contracts	150.75	154.77

g)	Increase/(decrease) in stock-in-trade and work-in-progress	(275.12)	(177.01)
h)	Royalty towards coal mining	1,111.14	1,101.12
i)	Coal processing charges	2,544.99	1,953.22
j)	Employee benefits expense	1,322.95	1,146.26
k)	Depreciation and amortisation expense (Refer Note 2.4)	2,051.69	1,334.64
l)	Deferred stripping costs (net)	-	659.44
m)	Other expenses	3,633.91	2,908.85
	Total expenses	28,444.78	22,010.77
3.	Profit from operations before other income, finance costs, exceptional item and tax (1-2)	4,580.65	3,990.63
4.	Other income		
a)	(Loss) / Gain on exchange (net)	(187.64)	(425.05)
b)	Others	369.20	268.76
5.	Profit before finance costs, exceptional item and tax (3+4)	4,762.21	3,834.34
6.	Finance costs	2,635.53	1,527.09
7.	Profit before exceptional item and tax (5-6)	2,126.68	2,307.25
8.	Exceptional item -		
	Provision for impairment (Refer Note 6)	850.00	1,800.00
9.	Profit / (Loss) before tax	1,276.68	507.25
10.	Tax expense	1,177.96	1,475.54

11.	Net Profit / (Loss) after tax	98.72	(968.29)
12.	Share of profit of associates	23.92	70.77
13.	Less: Minority interest	208.07	190.16
14.	Net Profit / (Loss) after tax, minority interest and share of profit of associates	(85.43)	(1,087.68)
15.	Paid-up equity share capital (Face Value: ₹ 1/- per share)	237.29	237.29
16.	Reserves excluding Statutory Reserves and Revaluation Reserves	10,501.19	10,875.00
17.	Basic Earnings per Share (not annualised for quarters) (In ₹)	(1.23)	(4.98)
18.	Diluted Earnings per Share (not annualised for quarters) (In ₹)	(1.23)	(4.98)

GENERAL INFORMATION

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Address of the Registrar of Companies

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Company Secretary and Compliance Officer

Mr. H.M. Mistry

Company Secretary

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Investors may contact the Registrar to the Issue or the Company Secretary for any pre-Issue/ post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, number of Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors. For more details on the ASBA process, please refer to the details given in CAF and also please refer to the section titled “*Terms of the Issue*” on page 161 of this Letter of Offer.

Lead Managers to the Issue

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Investor Grievance Email: investorgrievance@hsbc.co.in
Contact Person: Mayank Jain / Archa Jain
Website: <http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking>
SEBI Registration No.: INM000010353

Legal Advisors to the Issue

AZB & Partners

24th Floor, Express Towers
Nariman Point, Mumbai 400 021
Maharashtra, India
Tel: +91 22 66396880
Fax: +91 22 66396888
Email: mumbai@azbpartners.com

International Legal Advisors to the Lead Managers

Allen & Overy

9th Floor, Three Exchange Square
Central,
Hong Kong
Tel: +852 2974 7000
Fax: ++852 2974 6999
Email: ProjectBoost@allenoverly.com

Auditors

[To be inserted]

Registrar to the Issue

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West),

Mumbai - 400 078

Tel: +91 22 2596 7878

Fax: +91 22 2596 0329

Email: tatapower.rights@linkintime.co.in

Investor Grievance Email: tatapower.rights@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr Pravin Kasare

SEBI Registration No.: INR000004058*

* The SEBI registration of Link Intime India Private Limited will expire on May 5, 2014. Link Intime India Private Limited has made an application dated January 30, 2014 to SEBI for grant of renewal of the registration, in accordance with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993, as amended. The renewal of the registration from SEBI is currently awaited. As on date of this Letter of Offer, no communication has been received by Link Intime India Private Limited from SEBI rejecting the said application.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors.

Escrow Collection Bank

[Insert NAME]

[Insert address]

Tel: +91 [●]

Fax: +91 [●]

Email: [insert email]

Investor Grievance E-mail: [●]

Contact Person: [●]

Website: [●]

SEBI Registration No.: [●]

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on SEBI website at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. Details relating to designated branches of SCSBs collecting the ASBA forms are available at the above-mentioned link. On allotment, the amount would be unblocked and the account would be debited only to the extent required to pay for the Equity Shares allotted.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000.

Notwithstanding anything contained hereinabove, all Renouncees (including Renouncees who are Individuals) shall apply in the Issue only through the non-ASBA process.

Retail Individual Investors not being Renouncees may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Credit rating

As the Issue is a rights issue of Equity Shares, no credit rating is required.

Experts to our Company for the Issue

[●], Chartered Accountants, and [●], Chartered Accountants, have provided their written consents for the inclusion of the reports on the Audited Consolidated Financial Statements, Audited Standalone Financial Statements, Audited Interim Standalone Financial Statements and Unaudited Consolidated Interim Financial Statements in the form and context in which the reports will appear in this Letter of Offer, and to be named as experts in relation thereto, and such consent has not been and will not be withdrawn up to the time of delivery of this Letter of Offer to the Designated Stock Exchange.

M/s. [●], Chartered Accountants, have provided their written consent for the inclusion of the statement of tax benefits in the form and context in which it appears in this Letter of Offer, and to be named as an expert in relation thereto, and such consent has not been and will not be withdrawn up to the time of delivery of this Letter of Offer to SEBI.

Debenture trustee

This being an issue of equity shares, a debenture trustee is not required.

Issue Schedule

Issue Opening Date:	[●], 2014
Last date for receiving requests for SAFs:	[●], 2014
Issue Closing Date:	[●], 2014

Monitoring Agency

The Company has appointed [●] as the monitoring agency, to monitor the utilization of the Net Proceeds in terms of Regulation 16 of the SEBI ICDR Regulations.

[Insert NAME]

[Insert address]

Tel: +91 [●]

Fax: +91 [●]

Email: *[insert email]*

Contact Person: [●]

Website: [●]

Appraisal Reports

None of the purposes for which the Gross Proceeds are proposed to be utilised have been financially appraised by any bank financial institution or any other independent agency.

Principal Terms of Loans and Assets charged as security

For details of the principal terms of loans and assets charged as security, please refer to “*Objects of the Issue*” on page 111 of this Letter of Offer.

Underwriting

[●]. *[To be confirmed]*

Compliance with Listing Agreement, Takeover Regulations and Insider Trading Regulations

Our Company has complied with the provisions of the Listing Agreement, specifically Clauses 35, 40A, 41 and 49, and the provisions of the Takeover Regulations and the Insider Trading Regulations, during the financial year immediately preceding the date of this Letter of Offer.

Declaration by Board on creation of separate account

The Board of Directors declares that funds received against this Issue will be transferred to a separate bank account other than the bank account referred to sub-section (3) of Section 40 of the Companies Act, 2013.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company will pay interest for the delayed period at 15% per annum as prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act.

Allocation of Responsibility

The responsibilities for various activities in this Issue of the Lead Managers are as follows:

Sr.	Activities	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	JM Financial, BNP Paribas and HSBC	JM Financial
2.	Drafting and design of the offer document. The Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities (including finalization of Letter of Offer) with Stock Exchanges and SEBI.	JM Financial, BNP Paribas and HSBC	JM Financial
3.	Selection of various agencies connected with the issue, namely Registrars to the Issue, Escrow Collection Bank, printers and advertisement agencies.	JM Financial, BNP Paribas and HSBC	BNP
4.	Liaising with the Stock Exchanges and SEBI, including for obtaining in-principle listing approval and completion of prescribed formalities with the Stock Exchanges and SEBI.	JM Financial, BNP Paribas and HSBC	HSBC
5.	The post Issue activities will involve essential follow up steps, which must include finalization of basis of allotment, listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrar to the Issue, Escrow Collection Bank and the bank handling refund business.	JM Financial, BNP Paribas and HSBC	HSBC

CAPITAL STRUCTURE

Our capital structure and related information as on date of this Letter of Offer is set forth below:

Particulars	Aggregate Nominal Value (in ₹)	Aggregate Value at Issue Price (in ₹)
A. Authorised share capital		
3,000,000,000 equity shares of ₹ 1 each	3,000,000,000	N.A.
229,000,000 cumulative redeemable preference shares of ₹ 100 each	2,290,000,000	N.A.
TOTAL	5,290,000,000	N.A.
B. Issued Capital**		
2,429,470,840 equity shares of ₹ 1 each	2,429,470,840	N.A.
C. Paid-up and subscribed capital[#]		
2,373,072,360 equity shares of ₹ 1 each	2,373,072,360	N.A.
D. Shares Forfeiture account		N.A.
1,652,300 equity shares of ₹ 1 each	600,000	
E. Present Issue in terms of this Letter of Offer*		
Issue of 33,22,30,130 equity shares of ₹ 1 each	33,22,30,130	19,93,38,07,800
F. Issued Subscribed and Paid-up capital after the Issue (assuming full subscription for and allotment of the Rights Entitlement)		
33,22,30,130 equity shares of ₹ 1 each	33,22,30,130	19,93,38,07,800
G. Share Premium Account		
Before the Issue, as at December 31, 2013	[•]	N.A.
After the Issue	N.A.	[•]

*The Issue has been authorized by the Board of Directors under section 81(1) and other applicable provisions of the Companies Act pursuant to a resolution dated February 27, 2014.

**Equity Shares (including 23,03,080 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order, 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay).

[#] Equity Shares fully Paid-up (excluding 23,03,080 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay)

Notes to the Capital Structure

1. Subscription to the Issue by the Promoters and Promoters Group

[To be confirmed]

2. Our shareholding pattern as per clause 35 of the Listing Agreement on December 31, 2013 is as

follows:

Category Code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Bodies Corporate	10	76,98,81,050	76,98,81,050	33.51	32.44	3,53,50,000	4.59
(b)	Any Others(Specify)	3	6,56,240	6,56,240	0.03	0.03	0	0.00
(b)	Trusts	3	6,56,240	6,56,240	0.03	0.03	0	0.00
	Sub Total(A)(1)	13	77,05,37,290	77,05,37,290	33.54	32.47	3,53,50,000	4.59
2	Foreign							
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	13	77,05,37,290	77,05,37,290	33.54	32.47	3,53,50,000	4.59
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	141	2,94,30,117	2,91,55,297	1.28	1.24	0	0.00
(b)	Financial Institutions / Banks	169	98,55,854	93,69,434	0.43	0.42	0	0.00
(c)	Central Government/ State Government(s)	6	6,81,488	4,28,928	0.03	0.03	0	0.00
(e)	Insurance Companies	114	49,47,91,117	49,47,60,717	21.54	20.85	0	0.00
(f)	Foreign Institutional Investors	331	61,76,95,526	61,76,26,546	26.89	26.03	0	0.00
(h)	Any Other (specify)	1	22,760	22,760	0.00	0.00	0	0.00
(i)	Foreign Nationals-DR	1	22,760	22,760	0.00	0.00	0	0.00
	Sub-Total (B)(1)	762	115,24,76,862	115,13,63,682	50.16	48.56	0	0.00
2	Non-institutions							

Category Code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/ (IV)*100
(a)	Bodies Corporate	2394	1,86,61,774	1,68,88,744	0.81	0.79	0	0.00
(b)	Individuals							
I	Individual shareholders holding nominal share capital up to ₹ 1 lakh	2,18,727	33,07,24,777	26,49,76,666	14.39	13.94	0	0.00
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	106	2,08,71,883	1,91,40,403	0.91	0.88	0	0.00
(c)	Any Others	72	42,58,364	42,40,864	0.19	0.18	0	0.00
	Overseas Bodies Corporates	4	10,400	4,000	0.00	0.00	0	0.00
	Foreign Corporate Bodies	3	5,22,722	5,22,722	0.02	0.02	0	0.00
	Trusts	65	37,25,242	37,14,142	0.16	0.16	0	0.00
	Sub-Total (B)(2)	2,21,299	37,45,16,798	30,52,46,677	16.30	15.78	0	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	2,22,061	152,69,93,660	145,66,10,359	66.46	64.35	0	0.00
	TOTAL (A)+(B)	2,22,074	229,75,30,950	222,71,47,649	100.00	96.82	3,53,50,000	1.54
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0.00
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
2	Public	4	7,55,41,410	7,55,40,110	0.00	3.18	0	0.00
	Sub Total	4	7,55,41,410	7,55,40,110	0.00	3.18	0	0.00
	GRAND TOTAL (A)+(B)+ (C)	2,22,078	237,30,72,360	230,26,87,759	0.00	100.00	3,53,50,000	1.49

Note: The post-issue shareholding pattern would be available after the finalization of the basis for allotment.

The list of Equity Shareholders belonging to the category “Promoter and Promoter Group” as on December 31, 2013 is detailed in the table below:

S. No	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of shares held	% of grand total (A)+(B)+(C)	No.	%	% of grand total (A)+(B)+(C) of sub-clause (I)(a)	No. of warrants held	% total number of warrants of the same class	No. of convertible securities held	As a % total no. of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	Tata Sons Ltd	70,75,11,570	29.81	3,53,50,000	5.00	1.49	0	0.00	0	0.00	28.65
2	Tata Industries Ltd	1,96,80,000	0.83	0	0.00	0.00	0	0.00	0	0.00	0.80
3	Tata Steel Ltd	3,43,18,180	1.45	0	0.00	0.00	0	0.00	0	0.00	1.39
4	Tata Investment Corporation Ltd	60,06,880	0.25	0	0.00	0.00	0	0.00	0	0.00	0.24
5	Ewart Investments Ltd	19,55,840	0.08	0	0.00	0.00	0	0.00	0	0.00	0.08
6	Sir Dorabji Tata Trust	5,72,880	0.02	0	0.00	0.00	0	0.00	0	0.00	0.02
7	Chemical Terminal Trombay Ltd	4,00,580	0.02	0	0.00	0.00	0	0.00	0	0.00	0.02
8	Sir Ratan Tata Trust	70,160	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
9	J R D Tata Trust	13,200	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
10	Sheba Properties Ltd	8,000	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
TOTAL		77,05,37,290	32.47	3,53,50,000	4.59	1.49	0	0.00	0	0.00	31.20

The list of Equity Shareholders, other than the Equity Shareholders belonging to the category “Promoters and Promoter Group”, holding more than 1% of our paid-up capital as on December 31, 2013 is detailed in the table below:

Sr. No.	Name of the shareholder	Number of shares held	% of total no. of shares {i.e., Grand Total (A)+(B) +(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (warrants and convertible securities) as a % of diluted share capital
				No. of warrants held	% total no. of warrants of the same class	No. of convertible securities held	% w.r.t total no. of convertible securities of the same class	
1	Life Insurance Corporation of India Limited	29,93,67,181	12.62	0	0.00	0	0.00	12.12
2	Matthews Pacific Tiger Fund	12,61,60,510	5.32	0	0.00	0	0.00	5.11
3	National Westminster Bank PLC as depositary of first State Global Emerging Markets Leaders Fund a Sub fund of first state investments ICVC	7,64,28,072	3.22	0	0.00	0	0.00	3.09
4	New India Assurance Company Limited	6,40,26,620	2.70	0	0.00	0	0.00	2.59
5	General Insurance Corporation of India	6,30,30,370	2.66	0	0.00	0	0.00	2.55
6	National Westminster Bank PLC as depositary of first State Asia Pacific Leaders Fund a sub Fund of First State Investment ICVC	5,85,32,904	2.47	0	0.00	0	0.00	2.37
7	Aberdeen Global Indian Equity Mauritius Limited	4,37,00,000	1.84	0	0.00	0	0.00	1.77
TOTAL		73,12,45,657	30.81	0	0.00	0	0.00	29.61

The list of Equity Shareholders, other than the Equity Shareholders belonging to the category “Promoters and Promoter Group”, holding more than 5% of our paid-up capital as on December 31, 2013 is detailed in the table below:

Sr. No.	Name of the shareholder	Number of shares held	% of total no. of shares {i.e., Grand Total (A)+(B) +(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (warrants and convertible securities) as a % of diluted share capital
				No. of warrants held	% total no. of warrants of the same class	No. of convertible securities held	% w.r.t total no. of convertible securities of the same class	
1	Life Insurance Corporation of India Limited	29,93,67,181	12.62	0	0.00	0	0.00	12.12
2	Matthews Pacific Tiger Fund	12,61,60,510	5.32	0	0.00	0	0.00	5.11
TOTAL		42,55,27,691	17.93	0	0.00	0	0.00	17.23

Details of locked-in shares

The Company has no locked-in shares.

Statement showing details of Depository Receipts:

Sr. No.	Type of Outstanding DR (ADRs, GDRs , SDRs, etc.)	Number of Outstanding DRs	Number of Shares Underlying Outstanding DRs	Shares Underlying Outstanding DRs as a % of Total No. of Shares
1	GDRs held by Citibank NA	1,543	13,88,800	0.06
2	The Bank of New York	74,15,261	7,41,52,610	3.12
TOTAL		74,16,804	7,55,41,410	3.18

The Company has no outstanding depository Receipts, where underlying shares held by Promoter /Promoter Group are in excess of 1% of the total number of shares.

3. Except as disclosed below, there have been no acquisition of Equity Shares by the Promoters and the members of the Promoter Group within the last one year preceding the date of this Letter of Offer:

Name of the Promoter and Promoter Group	Date of transaction	Type of transaction	Purchase price per share (in ₹)	Number of Equity Shares
Tata Steel Limited	14.02.2013	Market Purchase	94.09	73,904
	15.02.2013	Market Purchase	95.87	5,77,000
	20.02.2013	Market Purchase	97.06	1,57,000
	21.02.2013	Market Purchase	97.22	14,00,000
	22.02.2013	Market Purchase	97.25	3,56,000
	25.02.2013	Market Purchase	97.23	5,12,000
	26.02.2013	Market Purchase	97.25	4,00,000
	27.02.2013	Market Purchase	97.08	9,55,000
	28.02.2013	Market Purchase	95.69	20,00,000
	01.03.2013	Market Purchase	96.73	9,37,000
	04.03.2013	Market Purchase	97.07	9,25,000
	05.03.2013	Market Purchase	97.19	1,46,000
	07.03.2013	Market Purchase	97.25	1,548
	12.03.2013	Market Purchase	98.00	3,36,000
	13.03.2013	Market Purchase	97.98	17,51,000
	14.03.2013	Market Purchase	98.00	16,16,000
	19.03.2013	Market Purchase	98.00	23,67,000
	20.03.2013	Market Purchase	98.01	20,33,000
	21.03.2013	Market Purchase	98.11	4,56,548

4. In February, 1994, our Company issued GDS, which have been listed on the Luxembourg Stock Exchange and have been accepted for clearance through Euroclear and Cedel. The GDS have also been designated for trading in the PORTAL System of the National Association of Securities Dealers, Inc. As of December 31, 2013, 1,543 GDS are currently outstanding.
5. In July 2009, the Company raised USD 335 million through an offering of GDRs. The GDRs are listed in and traded on the Euro MTF market of the Luxembourg Stock Exchange and are also available for trading on the International Order Board of the London Stock Exchange. As of December 31, 2013, 74,16,804 GDRs are outstanding.
6. In November, 2009, the Company issued 1.75% FCCBs due in 2014, aggregating to USD 300 million. These FCCBs are listed on the Singapore Exchange Securities Trading Limited. In case the entire amount of FCCBs are converted, the Company would have to allot 9,64,40,890 Equity Shares of `1 each to the Bondholders. As of December 31, 2013, 3,000 FCCBs are currently outstanding.
7. Except for the outstanding GDS, GDRs and FCCBs, as set out above, as at the date of this Letter of Offer there are no outstanding securities convertible into Equity Shares.
8. The present Issue being a rights issue, as per Regulation 34(c) of the SEBI ICDR Regulations, the requirements of promoters' contribution and lock-in are not applicable.
9. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Letter of Offer with the Stock Exchanges / SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

10. The ex-rights price of the Equity Shares as per Regulation 10(4) (b) of the Takeover Regulations is ₹ 79.02 per Equity Share.
11. Neither our Company nor the Promoters shall make any payments, direct or indirect, such as discounts, commissions, allowances or otherwise under the Issue.
12. The terms of issue to Eligible Equity Shareholders have been presented under the section title "*Terms of the Issue*" on page 161 of this Letter of Offer.
13. At any given time, there shall be only one denomination of the Equity Shares of our Company.

All the Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of this Letter of Offer. Further, the Equity Shares, when issued, shall be fully paid up.

BUSINESS OVERVIEW

OVERVIEW

We are an integrated utility group primarily engaged in the generation, transmission, distribution and trading of electricity in India. As one of the largest private sector generators in India by capacity, we own and operate power stations with gross installed capacity of 8,560 megawatts (“MW”) as on December 31, 2013. In addition, as of the date of this Letter of Offer, we are in the process of executing a number of power plant projects, which, upon completion, are expected to increase our overall generation capacity by 849 MW.

Our core business is organised into four segments – generation, transmission and distribution, fuel and logistics, and power trading and other businesses. Tata Power is the holding company of the Tata Power Group and is directly engaged in certain generation, transmission and distribution activities focused largely on the Mumbai region. Other power businesses and the fuel and logistics operations are conducted through our Subsidiaries and Joint Ventures.

In Fiscal Year 2013, our consolidated revenue was ₹33,394.63 crore compared to ₹26,270.16 crore in Fiscal Year 2012. Consolidated loss after tax was ₹85.43 crore in Fiscal Year 2013 compared to a loss of ₹1,087.68 crore in Fiscal Year 2012. For the nine months ended December 31, 2013, our consolidated revenue was ₹26,804.20 crore compared to ₹23,992.97 crore for the nine months ended December 31, 2012. Consolidated loss after tax was ₹114.64 crore for the nine months ended December 31, 2013 compared to a loss of ₹266.79 crore for the nine months ended December 31, 2012.

COMPETITIVE STRENGTHS

We believe the following are our key competitive strengths:

Established power company with a strong and diversified power generation portfolio with a proven execution track record

We have been in the business of power generation since our incorporation. Over the years, we have built our portfolio of generation plants and are one of the largest private power generators in India. As at February 28, 2014, we had a gross installed power generation capacity of 8,560 MW generated through thermal (coal, gas and oil), hydroelectric power, renewable energy (wind and solar) and waste gases. We are an established power generation group with a strong track record and extensive industry experience. This has also allowed us to identify new opportunities and plan expansions to our generation assets.

As one of the largest independent power producers in India, we have a strong track record of successfully implementing large and complex projects across the power sector. We also have significant experience in executing power transmission and distribution projects. For example, CGPL has successfully developed and commissioned India’s first ultra-mega power project (“UMPP”), the Mundra UMPP, which commenced full commercial operation in March 2013.

We have a diversified generation portfolio, which includes captive, IPP, UMPP and merchant sales. This enables us to earn stable revenue from our captive, regulated and UMPP projects through long term PPAs with an upside potential from our merchant capacity. In addition to our generation business, we transmit and distribute electricity through our network in Mumbai, as well as through Tata Power Delhi Distribution Limited (“TPDDL”) and Powerlinks Transmission in other parts of India.

We have the proven ability to expand our existing generation capacities and to address the various complexities involved in integrating new units with existing units. For example, Tata Power has expanded capacity at its Jojobera plant by adding three units of 120MW each to the initial generation capacity of 68MW. In addition, through our joint venture IEL, Tata Power has added two units of 120MW at its Jamshedpur and Jojobera plants. Similar capacity expansions have also been carried out at Trombay and Haldia whereby as of February 28, 2014, the aggregate generation capacity at Trombay and Haldia is 1,580MW and 120MW, respectively.

In addition, Tata Power is one of the first private companies to partner in public-private partnership projects such as its investment in TPDDL. Through our Subsidiary, Powerlinks Transmission Company Limited

(“Powerlinks”), Tata Power has successfully completed the Tala Transmission Project to transmit power from the eastern and north-eastern states of India to New Delhi and its adjoining areas.

We are one of the largest green energy companies in India.

As at February 28, 2014, we have gross installed capacity of 912 MW from green sources, of which 447 MW comes from hydropower, and 465 MW comes from renewable sources of energy, namely, wind and solar power. We first entered the renewable energy sector with the commissioning of a 17MW wind power project at Supa near Ahmednagar. Furthermore, we have a number of energy projects in advanced stages of execution for an additional 646.7 MW of generation capacity from green energy sources. These projects will allow us to reduce its overall carbon footprint and diversify its energy portfolio to reduce fuel price risk.

Vertically-integrated power company with presence across power sector value chain.

We have a presence across the power sector value chain, from our coal assets to power generation, transmission and distribution and power trading. We believe that its presence across the value chain provides it with advantages over competitors in the generation business that are not similarly situated as the Indian electricity market continues to privatize, liberalize and evolve.

Long term power off-take arrangements for the major power projects

We have entered into long-term power purchase agreements (“PPAs”) with SEBs, distribution companies and other entities for substantially all of our installed generation capacity. These PPAs typically have a term ranging from 10 to 25 years, and we believe that such arrangements mitigate certain risks associated with off-take of power generated and assist in providing a steady flow of revenues. As substantially all of our capacity is sold under long-term PPAs, we are not subject to merchant tariff rates, which could vary. In addition, we believe that such PPAs enable us to negotiate better financing terms for our projects.

Secured fuel supply and diversification of fuel sources

We have secured fuel linkages for a majority of our projects currently under operation, which ensures consistent fuel availability for our power projects. The imported coal requirement for Trombay is about 3-MTPA, which is met with from power purchase agreements with certain international coal companies. We have also acquired, through our wholly owned subsidiary, a 30% stake in the KPC coal mines in Indonesia. In addition, long term off-take arrangements for a total of approximately 10.11 MTPA \pm 20% have been entered into with a trading arm of KPC. Through two wholly-owned subsidiaries in Singapore, we are also able to meet a portion of our coal transportation requirements for imported coal. In addition, we have also been allocated, together with our joint venture partners, the Tubed coal block in Jharkhand and the Mandakini coal block in Orissa. These operations are expected to provide additional sources of fuel for our coal-based power projects in India. However, the Ministry of Coal, on April 30, 2012 and June 14, 2013, issued two show cause notices in relation to the Tubed and Mandakini coal blocks, respectively, warning of possible de-allocation of these coal blocks. For further details in this regard, See “Risks Factors – Tata Power has received certain show-cause notices from the Ministry of Coal, Government of India, which could result in de-allocation of coal blocks at Mandakini and/or Tubed” on page XIX.

We are one of the first companies in India to use non-coal/non-gas fuels, such as flue gases and coke oven gases, in our thermal power plants. Through a prudent mix of imported and domestic coal, as well as other fuel sources, we mitigate the risk of depending on any single form of fuel.

Strong position in Mumbai

Our Mumbai area generation portfolio consists of hydro capacity at Khopoli, Bhivpuri and Bhira, and a multi-fuel thermal capacity at Trombay. The ability of the Trombay Power Plant to run on various sources of fuel helps mitigate rising fuel costs. Tata Power Generation also benefits from the proximity of its generating stations to the load centre in Mumbai. We believe that Tata Power Transmission and Tata Power Distribution have a robust and reliable transmission and distribution network in Mumbai. As the majority of our power generation, transmission and distribution operations in Mumbai is owned and controlled by us, there is limited reliance on third parties. In addition, we benefit from the presence of strong institutional customers in Mumbai such as the Indian railways and BEST.

Experienced management team and strong corporate governance

Our senior management is qualified in engineering and management have and a strong and long standing track record in senior management roles in the Tata group. They also have experience in delivering large-scale and complex projects. We incorporate the high corporate governance standards implemented across the Tata group. The executives are supported by a non-executive board of senior figures drawn from the Tata group reflecting extensive experience in the Indian power industry.

A strong shareholder support

We are a member of the Tata group, one of the oldest and largest conglomerates in India. The Tata group is highly diversified and its primary activities include engineering, materials, energy, chemicals, consumer products, services and communications and information systems. This relationship allows us to draw on the extensive business networks, local business knowledge, relationships and expertise of the Tata group's senior managers to identify and capitalize on growth opportunities.

STRATEGY

Our key strategies are as follows:

Capitalise on the opportunities presented by power sector reforms and benefits extended by the Government of India and pursue growth opportunities across the Indian power sector

The power sector in India has historically been characterised by power shortages that have consistently increased over time. In 1991, the Indian power sector began a process of deregulation that is continuing today. The Electricity Act, 2003 and subsequent reforms have generated significant opportunities in the power sector. Some of the opportunities available as a result of these changes are:

- (a) Liberalisation and de-licensing in the power generation sector, including removing the requirement of techno-economic clearances for thermal power projects, which expedites the thermal power project development process;
- (b) Recognition of power trading as a distinct activity;
- (c) Distribution licensees can now procure power through a process of international competitive bidding and projects are no longer awarded on a cost-plus basis;
- (d) Power generation companies can now sell power to any distribution licensees, or where allowed by the state regulatory commissions, directly to consumers. The market has evolved for merchant sales, which allows for the supply of peak power at premium rates;
- (e) Power generation companies have open access to transmission lines, which will facilitate the direct sale of power to distribution and trading licensees;
- (f) Improved payment security mechanisms, which we believe will improve sector stability and enhance our ability to obtain financing for our projects;
- (g) No distinction between foreign and domestic investor under electricity laws; and
- (h) 100% FDI allowed in the power sector.

Our projects are positioned and structured to take advantage of these benefits and also the benefits under the Ultra Mega Power Project policy of the Government of India following our successful bid for the Mundra UMPP. Internationally, we will monitor opportunities to leverage our Indian market experience with our established track record in the power generation, transmission and distribution sectors in India.

Invest in select international geographies

As part of our international strategy, we aim to be relevant and significant in a few chosen geographies such as South East Asia, Sub-Saharan Africa, the Middle East and Turkey and the SAARC region. In this context:

- Tata Power's joint venture, Cennergi (Pty) Limited, is evaluating opportunities for development of power projects in the African continent;
- Tata Power has a 40% interest in Adjaristsqali Georgia LLC, executing/developing a 400 MW hydro project to be developed in two phases in Georgia. The first phase for 185 MW generation capacity is currently under execution and the second phase for 215MW generation capacity is under development; and
- Tata Power is also evaluating investment opportunities in various South-East Asian Countries.

Focusing on improving efficiencies across our existing operations

We have consistently managed to improve our profitability through performance incentives earned due to efficiently operating our existing power plants. We intend to continue our operational efficiency across all our businesses in the coming year.

In our distribution subsidiary in New Delhi, TPDDL's aggregate technical and commercial losses ("AT&C") have been reduced over the past and TPDDL plans to further reduce these losses in the future through various measures including energy audits, replacement of old meters with theft-proof electronic meters, automated meter reading, metering of previously unmetered consumers who were earlier charged a flat rate, aggressive enforcement and recovery and awareness drives.

Securing access to long term supplies of fuel and logistical support

We are considering the possibility of developing or acquiring sources of quality fuel at optimum cost. In this regard, Tata Power has acquired an equity interest in, and entered into long term off-take arrangements with, coal mine facilities in Indonesia. Tata Power has also acquired interests in certain coal mines in the states of Jharkhand and Orissa. Through a combination of new builds and long-term charter arrangements, as part of securing fuel supplies for the Mundra UMPP, Tata Power has established a Singapore subsidiary, Trust Energy Resources Pte Limited, for owning bulk carriers which it expects will be deployed to transport coal from Indonesia to India for the Mundra UMPP.

Expanding our green energy power generation business

We are currently monitoring opportunities for the further development of wind plants in India. We are also actively exploring hydroelectricity opportunities, the feasibility of standalone biomass-based power plants and possibilities for geothermal generation and have invested in a geothermal systems company in Australia. Tata Power has also entered into a partnership agreement with an international clean energy company to jointly develop hydropower projects in India and Nepal. Tata Power has also won a bid for the Sorik Marapi Geothermal Project (240 MW) in Indonesia where exploration work has already commenced. We are also exploring other bid opportunities in Indonesia.

Maintaining a balanced mix of generation, distribution, transmission and trading in the power portfolio

We will seek to maintain a balanced generating portfolio of captive, UMPP, Independent Power Plant ("IPP") and merchant facilities utilising a mix of fuel requirements.

We will continue to explore opportunities to source imported coal by acquiring interests in other international coal companies and/or off-take arrangements and domestic coal. We will seek to leverage our public-private partnership experience throughout the power sector value chain. We will also continue to draw on our experience with TPDDL and explore opportunities to expand our transmission and distribution business, especially with the privatisation of the state electricity distribution companies pursuant to the Electricity Act.

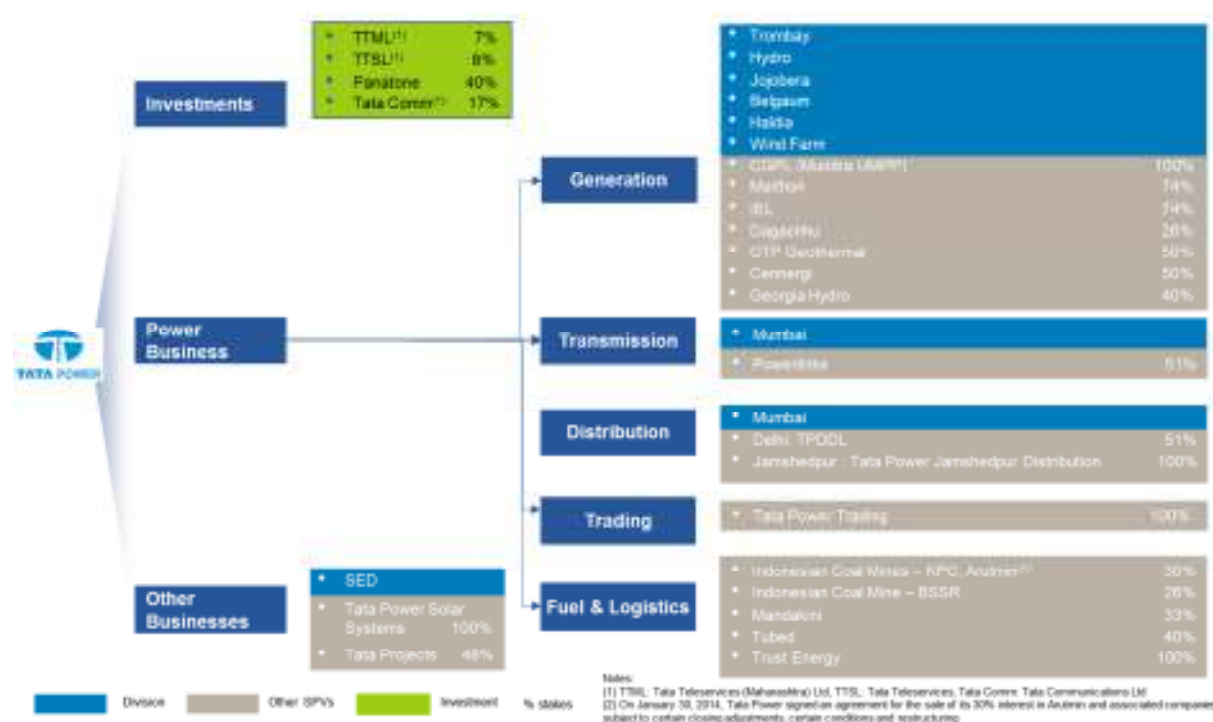
Continue prudent growth through select acquisitions in India and overseas.

We will continue to evaluate our plans to acquire suitable power projects and/or invest as a joint-venture partner in power projects based in India or abroad. We have also made acquisitions in industries that offer synergies to

our business, such as the investment in coal through a 26.0% interest in PT Baramulti Suksessarana Tbk, an Indonesian coal mining company. We also plan to continue searching for opportunities in the international markets, including the emerging markets that typically have large demand for power generation. Our acquisition strategy is to consider opportunities with favourable valuations and scope to integrate into our business.

TATA POWER GROUP ORGANISATION

The following chart outlines, in schematic form, our key business divisions as at December 31, 2013 and lists the key operating assets for our power business:



BUSINESS SEGMENTS

Generation

We have an extensive generating portfolio consisting of thermal (coal, oil and gas), hydro, wind and solar power. As at February 28, 2014, we had gross installed generation capacity of 8,560MW, of which 7,647 MW comes from thermal power sources (including coal, oil, gas and waste heat recovery), 447 MW comes from hydro power, 437 MW comes from wind power and 28 MW comes from solar power. We generated a total of 34,682 million units (“MUs”) and 33,633MUs of power in Fiscal Year 2013 and the nine months ended December 31, 2013, respectively, compared to 18,317 MUs and 23,303 MUs in Fiscal Year 2012 and the nine months ended December 31, 2012, respectively.

In addition, we are executing eight new power projects as part of our planned expansion of generating capacity. Upon completion, these new projects are expected add an additional 849.2MW to our gross installed capacity. Furthermore, we have a number of projects in advanced stages of development, including 8,270MW of generation capacity from thermal power sources and 835MW of generation capacity from renewable energy sources.

Tata Power has also established a joint venture, Industrial Energy Limited (“IEL”), with Tata Steel Limited (Tata Steel) in order to provide Tata Steel with its captive power requirements. Through IEL, Tata Power has added two units of 120 MW each at Jamshedpur and Jobbera for generation of power to meet the requirements of the expansion of Tata Steel’s operations at the site.

Current Operations

Projects in operation

We currently have operational 23 power projects, including thermal, hydro, wind and solar projects, in operation across India. The table below summarizes our currently operating power generation projects.

Project	Location	Installed Generation Capacity (MW)	Details of Fuel sources	Details of PPAs	Business Model ⁽¹⁾
Operating Thermal Power Generation Projects					
Mundra	Gujarat	4,000	Fuel Required: 10-12 MTPA of imported coal Fuel Source: Agreement for supply of 10.11 MTPA \pm 20% of imported coal, which is valid up to 2021	PPA dated April 22, 2007 amongst (i) Gujarat Urja Vikas Nigam Limited, (ii) Maharashtra State Electricity Distribution Company Limited, (iii) Ajmer Vidyut Vitran Nigam Limited, (iv) Jaipur Vidyut Vitran Nigam Limited, (v) Jodhpur Vidyut Vitran Nigam Limited, (vi) Punjab State Electricity Board, (vii) Haryana Power Generation Corporation Limited and (viii) CGPL. The term of this agreement is 25 years.	Case II (Bidding)
Trombay	Maharashtra	1,580	Fuel Required: (i) c.3 MTPA of coal; (ii) oil; and (iii) 1MMSCMD of gas. Fuel Source: <u>Coal</u> (i) Agreement for supply of 1.00 MTPA (+/- 0.25 MTPA) coal, which is valid up to December 31, 2018; (ii) Agreement for supply of 1.00 MTPA (+/- 0.2 MTPA) coal, which is valid up to December 31, 2018; and	Power generated at Tata Power's power generating units is utilised in its operations for the Mumbai License Area. Additionally, Tata Power has entered into a PPA dated December 21, 2006 with Brihan-Mumbai Electric Supply and Transport Undertaking. The term of the agreement is 10 years.	Regulated Returns

			<p>(iii) Agreement for supply of 0.65 MTPA (+/- 10%) coal, which is valid up to March 2014.</p> <p><u>Oil</u></p> <p>The requirement of oil is met through supply by nearby refineries</p> <p><u>Gas</u></p> <p>The requirement of 1MMSCMD of gas is met from GAIL India Ltd. The agreement is valid till December 2015.</p>		
Maithon	Jharkhand	1,050	<p>Fuel Required: c.4.5 MTPA of coal</p> <p>Fuel Source: (i) Agreement for supply of 1.66 MTPA, which is valid up to March 2015;</p> <p>(ii) Agreement for supply of 1.98 MTPA, which is valid up to September 2032; and</p> <p>(iii) Agreement for supply of up to 1 MTPA, which is valid up to November 2015.</p>	<p>PPA dated September 10, 2009 between Maithon Power Limited, Tata Power Trading Company Limited and TPDDL. The term of this agreement is 30 years.</p> <p>PPA dated April 23, 2008 between Tata Power Trading Company Limited and Maithon Power Limited. The term of this agreement is 30 years.</p> <p>PPA dated September 28, 2006 with Damodar Valley Corporation. The term of this agreement is 30 years.</p> <p>PPA dated December 24, 2008 with West Bengal State Electricity Distribution Company Limited. The term of the agreement is 30 years.</p>	Regulated Returns
Jojobera	Jharkhand	428	<p>Fuel Required: 20 lakh tonnes per annum</p>	<p>PPA dated September 12, 1997 amongst Tata Steel Limited and Tata Power. This PPA is valid from</p>	Captive Power Plant and Regulated Returns (Unit 2)

			Fuel Source: West Bokaro coal fields (Tata Steel) and Mahanadi Coalfields Limited (MCL) A MOU for sale/purchase of coal has been signed with Tata Steel, which is valid till September 2014.	April 01, 1997 up to the 30 th (thirtieth) anniversary of the final commercial operation date (i.e. the date after the date on which the test operations are completed)	and Unit 3)
IEL	Jharkhand	240	Fuel Required: Furnace and coke oven gases and coal Fuel Source: Tata Steel (furnace and coke oven gases) and West Bokhara coal fields (Tata Steel) (coal) A MOU for sale/purchase of coal has been signed with Tata Steel, which is valid till September 2014.	N.A.	Captive Power Plant
Haldia	West Bengal	120	Fuel Required: Hot flue gases Fuel Source: Hot flue gases obtained from the Tata Steel plant at Haldia.	PPA dated February 22, 2008 with TPTCL. The term of this agreement is 25 years. PPA dated July 11, 2008 with West Bengal State Electricity Distribution Company Limited. The term of this agreement is 10 years.	Merchant and Bilateral off-take arrangement
TPDDL	Rithala	108	Fuel Required: Wet natural gas, dry natural gas and other gaseous hydrocarbons. Fuel Source: (i) Agreement for	PPA with NDPL dated July 27, 2009. The term of this agreement is 10 years from the Commercial Operation Date.	Regulated Returns

			supply of gas which is valid till March 31, 2014; (ii) Agreement for supply of gas up to 12857 MMBtu per day, which is valid till March 31, 2014.		
Belgaum ⁽²⁾	Karnataka	81	N.A.	N.A.	N.A.
Lodhivali ⁽²⁾	Maharashtra	40	N.A.	N.A.	N.A.
Operating Green Energy Power Generation Projects					
Khopoli	Maharashtra	72	Hydro	Power generated at Tata Power's power generating units is utilised in its operations for the Mumbai License Area. Additionally, Tata Power has entered into a PPA dated December 21, 2006 with Brihan-Mumbai Electric Supply and Transport Undertaking. The term of the agreement is 10 years.	Regulated Returns
Bhira	Maharashtra	300			
Bhivpuri	Maharashtra	75			
Operating Renewable Energy Power Generation Projects					
Mulshi	Maharashtra	3	Solar	PPA with Tata Power Distribution dated November 12, 2010. The term of this agreement is 25 years.	Regulated Returns
Mithapur	Gujarat	25	Solar	PPA with Gujarat Urja Vikas Nigam Limited dated December 18, 2010. The term of this agreement is 25 years.	Regulated Tariff Mechanism (Renewables)
Poolavadi	Tamil Nadu	99	Wind	PPA with Tamil Nadu Generation and Distribution Corporation Limited dated November 30, 2011. The term of this agreement is 20 years.	Regulated Tariff Mechanism (Renewables)
Khandke	Maharashtra	50.4	Wind	PPA with Tata Power Distribution. The term of this agreement	Regulated Tariff Mechanism (Renewables)

				commences from April 01, 2011 to March 31, 2020.	
Samana	Gujarat	50.4	Wind	PPA dated July 21, 2010 with Gujarat Urja Vikas Nigam Limited. The term of this agreement is 20 years.	Regulated Tariff Mechanism (Renewables)
Gadag	Karnataka	50.4	Wind	PPA dated August 26, 2008 with Bangalore Electricity Supply Company Limited. The term of this agreement is 20 years.	Regulated Tariff Mechanism (Renewables)
Agaswadi	Maharashtra	49.5	Wind	PPA with Tata Power Distribution. The term of this agreement is 13 years commencing from March 31, 2012.	Regulated Tariff Mechanism (Renewables)
Dalot	Rajasthan	21	Wind	PPA with Jaipur Vidyut Vitran Nigam Limited. The term of the agreement is 25 years commencing from March 2013.	Regulated Tariff Mechanism (Renewables)
Nivade	Maharashtra	20.9	Wind	PPA with Tata Motors Limited. The term of this agreement commences from April 01, 2012 to March 31, 2016.	Regulated Tariff Mechanism (Renewables)
Sadwaghapur	Maharashtra	17.5	Wind	PPA with Tata Power Distribution. The term of this agreement commences from April 1, 2011 to March 31, 2022.	Regulated Tariff Mechanism (Renewables)
Supa	Maharashtra	17	Wind	PPA with Tata Power Distribution. The term of this agreement commences from April 1, 2011 to March 31, 2016.	Regulated Tariff Mechanism (Renewables)
Bramanvel	Maharashtra	11.2	Wind	PPA with Tata Power Distribution. The term of this agreement commences from April 01, 2011 to March 31, 2020.	Regulated Tariff Mechanism (Renewables)
Visapur	Maharashtra	10	Wind	PPA with Tata Power	Regulated Tariff

				Distribution. The agreement commences from April 1, 2011 to March 31, 2022.	Mechanism (Renewables)
ASW	Gujarat	39.2	Wind	<p>PPA with Gujarat Urja Vikas Nigam Limited for 21.6MW dated April 25, 2011. The term of this agreement is 25 years.</p> <p>PPA with Gujarat Urja Vikas Nigam Limited for 11.2MW dated June 21, 2011. The term of this agreement is 25 years.</p> <p>PPA with Gujarat Urja Vikas Nigam Limited for 5.6MW dated July, 2011. The term of this agreement is 25 years.</p> <p>PPA with Gujarat Urja Vikas Nigam Limited for 21.6MW dated December 28, 2011. The term of this agreement is 25 years.</p>	Regulated Tariff Mechanism (Renewables)

(1) For further details, please refer to “Industry Overview” on page 84 of this Letter of Offer.

(2) Non-operational thermal operating power generation projects.

Green energy projects: Tata Power’s green energy projects comprise (i) hydro power projects in Maharashtra with gross installed capacity of 447MW; (ii) wind farms in Maharashtra, Gujarat, Karnataka, Tamil Nadu and Rajasthan, with gross installed capacity of 437MW; and (iii) solar projects in Maharashtra, Gujarat and Delhi, with gross installed capacity of 28MW.

Projects under execution

As at December 31, 2013, we had eight projects under execution in India and overseas. These projects are expected to provide an additional 849.2MW of installed capacity upon completion.

Project	Location	Installed Generation Capacity (MW)	Fuel sources	Status of Completion
Dagachhu	Bhutan	126	Hydro	Civil work in progress; expected to be commissioned in Fiscal Year 2014
Kalinganagar	Odisha, India	202.5	Gas-based	Civil work in progress; expected to be fully commissioned in Fiscal Year 2015
Georgia	Georgia	185	Hydro	Civil work in progress; expected to be

				commissioned in Fiscal Year 2017
Palaswadi	Maharashtra, India	25	Solar	Under execution; expected to be commissioned in Fiscal Year 2014
Visapur	Maharashtra, India	32	Wind	Under execution; expected to be commissioned in Fiscal Year 2014
Pethshivpur	Maharashtra, India	49.5	Wind	Under execution; expected to be commissioned in Fiscal Year 2015
Tsitsikamma	South Africa	94.8	Wind	Under execution; expected to be commissioned in Fiscal Year 2017
Amakhala Emoyeni	South Africa	134.4	Wind	Under execution; expected to be commissioned in Fiscal Year 2017

Dagachhu Hydroelectric Power Project, Bhutan. The Dagachhu Hydroelectric Power Project is a joint venture wherein Tata Power holds 26% stake with a proposed installed capacity of 126 MW. It is being implemented in Bhutan by Dagachhu Hydro Power Corporation Limited. On June 25, 2008, Dagachhu Hydro Power Corporation Limited entered into a PPA with TPTCL, which was subsequently amended on September 12, 2008, whereby TPTCL shall purchase power generated at the Dagachhu Hydroelectric Power Project and import the same into India. This PPA is valid for a period of 25 years from the date of commissioning of the Dagachhu Hydroelectric Power Project.

The requisite clearances have been issued by National Environment Commission, Bhutan, with respect to land, water, irrigation and fisheries. Furthermore, the requisite construction license has been issued by the Bhutan Electricity Authority. However, while the clearance for construction of the Dagachhu Hydroelectric Power Project was issued by the National Environment Commission, Bhutan, this clearance has expired on December 31, 2013, after which Dagachhu Hydro Power Corporation Limited has applied for renewal of this clearance.

This project is expected to be completed during the first half of Fiscal Year 2015.

Kalinganagar. The Kalinganagar Project is a 202.5 MW cogeneration plant located at Kalinganagar Industrial Complex at Diburi, Odisha, being set up by Industrial Energy Limited (“**IEL**”). IEL is a joint venture of Tata Power (74%) with Tata Steel (26%) for its steel plant in Kalinganagar, Odisha. A MOU has been entered into between Tata Steel and IEL on August 30, 2011 the establishment of the captive power plant for a period of two years. Civil work for this project is currently in progress and the project is expected to be fully commissioned in Fiscal Year 2015. A PPA between IEL and Tata Steel is under negotiation.

Georgia. Adjaristsqali Georgia LLC (“**AGL**”) is developing hydroelectric projects in Southwest Georgia. AGL is a joint venture company between Tata Power, Clean Energy Invest AS and IFC Infra-Ventures, each holding 40%, 40% and 20% interest, respectively. For the first ten years of operation, AGL is obligated to sell all power generated from the project to Georgia in the winter season i.e. normally from December to February. For the remaining months of the year, AGL shall export the power to Turkey. From the eleventh year onwards, AGL is entitled to export the entire electricity generated by the project to Turkey.

AGL has the option to enter into an off take agreement with Energy System Commercial Operator, an entity of the Government of Georgia. Alternatively, AGL could sell electricity directly to customers or in the spot market in Georgia. As the Turkish power market is a merchant market, AGL may enter into PPAs (having a term of one to three years) with electricity traders and distribution companies or sells in the balancing and settlement market. AGL has decided to finalise the power off take agreements closer to the commercial operation date of the project.

Civil work for this project is currently in progress and the project is expected to be commissioned in Fiscal Year 2017. Land has been acquired for the 185 MW Shuakhevi Project and all the clearances are in place. The project is registered with UNFCC as a carbon development mechanism project and validation received in November 2013.

Of 1,217,890 sqm of permanent land required for the Shuakhevi Project 1,214,949 square metres is currently owned by AGL and 2,941 sqm is yet to be acquired. The requisite clearances for start of construction have been issued by the various ministries of government of Georgia. Several other permits and clearances for other activities shall be obtained as per the construction schedule of the project.

Tsitsikamma. Tsitsikamma is a 94.8 MW wind power generation project currently under execution in South Africa and is expected to be commissioned in Fiscal Year 2017. Tata Power is developing this project in joint venture with Cennergi Proprietary Limited (**Cennergi**). The project was declared successful by the Department of Energy of the government of South Africa upon financial closing. A PPA has been signed with Eskom Holdings SOC Limited (**Eskom**) for sale of power for a period of twenty years from the date of commencement of commercial operations.

Amakhala Emoyeni. Amakhala Emoyeni is a 134.4 MW wind power generation project, located approximately 14 kilometres south west of the town of Bedford in the Eastern Cape, currently under execution and is expected to be commissioned in Fiscal Year 2017. Tata Power is developing this project in joint venture with Cennergi. The project was declared successful by the Department of Energy of the government of South Africa upon financial closing. A PPA has been signed with Eskom for sale of power for a period of twenty years from the date of commencement of commercial operations.

Palaswadi. Tata Power has entered into a PPA with TPREL for purchase of solar energy from the 25 MW AC Solar Plant located at Palaswadi, Maharashtra. The PPA has been entered into for a term of 25 years commencing from March 31, 2014. The project is currently under execution and is expected to be commissioned in Fiscal Year 2014.

Visapur. Tata Power has entered into a PPA with TPREL for purchase of wind energy from the 32MW Wind Energy Project located at Ambheri, in the Satara district in Maharashtra. The project is currently under execution and is expected to be commissioned in Fiscal Year 2014. The PPA shall remain valid till December 31, 2027. The requisite clearances have been issued by Ministry of Mining and the Government of Maharashtra in relation to the labour at the site and the extension of the grid connectivity of the 50 MW wind power project.

Pethshivpur. The 49.5MW is being developed by Tata Power Renewable Energy Limited (“**TPREL**”) for generating and selling renewable electrical energy to the beneficiary entities. TPREL has appointed Regen Powertech Private Limited to set up the 49.5 MW wind farm project, which is currently under execution and is expected to be commissioned in Fiscal Year 2015.

The Ministry of Environment and Forests has on September 19, 2013 given its clearance for diversion of 79.91 hectares of forest land.

Tata Power’s green energy projects comprise (i) hydro power projects in Maharashtra with gross installed capacity of 447MW; (ii) wind farms in Maharashtra, Gujarat, Karnataka, Tamil Nadu and Rajasthan, with gross installed capacity of 437MW; and (iii) solar projects in Maharashtra, Gujarat and Delhi, with gross installed capacity of 28MW.

Projects in development

As of date of this letter of offer, we had 9 projects in development. Upon completion, these projects are expected to add an additional 9,105MW to our gross installed capacity. The table below summarizes details regarding our projects in development.

Project	Location	Proposed Installed Generation Capacity (MW)	Fuel sources	Status of Completion
Kalinganagar	Odisha	450	Coal	In planning stage.
Dugar	Himachal	380	Hydro	Approval of the detailed project report is

Hydroelectric Power Project	Pradesh			pending
Begunia Thermal	Odisha	1,320	Coal	Land acquisition in progress
Tiruldih IPP/CPP	Jharkhand	1,980	Coal	Land acquisition in progress
Maithon Phase II	Jharkhand	1,320	Coal	Land has been obtained and environmental impact assessment is in progress
Mundra Phase II	Gujarat	1,600	Coal	Land has been obtained
Dehrand	Maharashtra	1,600	Coal	Land acquisition in progress
Georgia Phase –II, III	Georgia	215	Hydro	In planning stage
Sorik Marapi, Indonesia	Indonesia	240	Geothermal	Project in exploration stage; PPA negotiation in progress with Indonesia's state power off-taker.

Transmission and Distribution

Transmission

Mumbai License Area

Tata Power's revenue from power supply and transmission charges in Mumbai contributed approximately 84.02% and 79.83% of its total non-consolidated revenues from power supply and transmission charges in Fiscal Year 2013 and the nine months ended December 31, 2013, respectively. Tata Power transmission system carries 70% – 80% of the bulk power requirement of the city of Mumbai. Power carried by the Tata Power transmission system is utilized by all the four distribution companies operating in Mumbai. The transmission system is the link between the generating stations and the distribution companies for evacuating power from the generating stations and also is the corridor for bringing in power from outside Mumbai. The Tata Power transmission network comprises approximately 1,100 CKm of 220kV/ 110 kV lines and 20 receiving stations spread across the city of Mumbai. An islanding system is in place in the network which isolates the Mumbai city from blackouts caused by faults in national grid.

Powerlinks Transmission Company

As at December 31, 2013, Tata Power holds a 51% interest in Powerlinks Transmission Limited (“**Powerlinks**”), a joint venture with Power Grid Corporation of India Limited. The joint venture was formed primarily to distribute power from the Tata Hydro Project in Bhutan and the north-eastern and eastern Indian states to New Delhi and its adjoining areas. The power is transmitted through Tata Power's transmission lines, which are located between Siliguri in West Bengal and Mandola in Uttar Pradesh. As at December 31, 2013, these transmission lines span a distance of 1,166 kilometres. Powerlinks has received a transmission license from the CERC for a period of 25 years with effect from November 13, 2003.

Distribution

Mumbai License Area

Tata Power is a distribution licensee in the State of Maharashtra and distributes and supplies electricity in the Mumbai License Area. Tata Power is a major supplier to retail and bulk consumers of electricity to railways, refineries and other large industrial and commercial complexes. Tata Power's distribution license for the Mumbai License Area, issued by the MERC under the Electricity Act, is valid until August 14, 2014. Tata Power submitted an expression of interest to the MERC for continuing the distribution of electricity in the

Mumbai License Area at the end of January 2014 and is currently in the process of filing a formal application for issuance of the requisite license. For further details, please refer to “*Risk Factors – Tata Power’s distribution license for the Mumbai License Area, issued by the MERC under the Electricity Act, is valid until August 14, 2014. A failure to obtain a distribution license for the Mumbai License Area in a timely manner or at all could have a material adverse affect on Tata Power’s business, financial condition and results of operations*” on page XVI of this Letter of Offer. As at December 31, 2013, Tata power distributes electricity to approximately 4 lakh retail customers.

Under the Electricity Act 2003, the MERC has the power to determine the tariffs under a multi-year tariff framework for a control period based on several elements. For further details in relation to the tariffs for the control period from April 1, 2011 up to March 31, 2016, please refer to “*Objects of the Issue*” on page XXIX of this Letter of Offer. MERC allows a return on equity of 15.5 % for Fiscal Year 2015 and Fiscal Year 2016 on the approved capitalization, apart from incentives, if any.

Total sales in Mumbai in amounted to 6,590 MUs and 5,171 MUs of power for Fiscal Year 2013 and the nine months ended December 31, 2013, respectively. Tata Power’s revenue from power supply and transmission charges in Mumbai contributed approximately 84.02% of its total non-consolidated revenues from power supply and transmission charges in Fiscal Year 2013 and 79.83% for the nine months ended December 31, 2013.

Tata Power Delhi Distribution Limited

As at December 31, 2013, Tata Power held a 51% stake in a distribution company, TPDDL which was formerly named North Delhi Power Limited. The remaining 49% is held by the Delhi Power Company limited, a government-owned company. TPDDL is amongst the three private licensees in Delhi and is licensed to distribute power to north and north-west Delhi. TPDDL supplies power to a largely residential customer base in northern Delhi and, as at December 31, 2013, TPDDL had approximately 13 lakh customers. The Delhi Electricity Regulatory Commission has granted a 24 year distribution license to TPDDL which took effect on March 12, 2004.

Tata Power Jamshedpur Distribution Limited

Tata Power was selected to work as a distribution franchisee in Jamshedpur circle of the Jharkhand State Electricity Board (“**JSEB**”) for the retail sale and distribution of power to the consumers on behalf of the JSEB. The Company has on December 05, 2012 entered into a Distribution Franchise Agreement with the JSEB and TP Power Distribution Limited which is valid for a term of fifteen years.

Fuel and Logistics

A key strategic priority for Tata Power is the securing of its fuel supplies for existing and new thermal power generation projects. Tata Power meets its fuel requirements for thermal power generation projects through a mix of imported coal, domestic coal, gas and coal bed methane.

Indonesian coal mine equity investment

On June 26, 2007, Tata Power completed the acquisition (through its wholly-owned overseas subsidiaries, Bhira Investments Limited and Bhivpuri Investments Ltd.) of a 30% equity interest in the Coal Companies from PT Bumi Resources TBK (“**Bumi**”) for coal mining operations in Indonesia. Tata Power paid a consideration of approximately U.S.\$1.2 billion (including working capital adjustments) for this acquisition. Tata Power believes that this equity position, with attendant rights to share in the financial success of the operations, mitigates in part its exposure to fluctuating coal prices for its operations in India. KPC and Arutmin together produced approximately 80.32 million tonnes of coal in calendar year 2013. Total reserves of KPC were 1,194 million tonnes as at March 31, 2013. Arutmin had reserves of 397 million tonnes as of June 30, 2012.

In addition, in 2012, Tata Power, through Khopoli, acquired a 26% interest in in PT Baramulti Suksessarana (“**BSSR**”). Tata Power believes that this acquisition further protects the company from fluctuations in coal prices as well as diversifying its coal sources. BSSR, together with PT Antang Gunung Meratus (AGM), a 100% Subsidiary, own approximately 114 million tonnes of coal reserves in South and East Kalimantan in Indonesia.

On January 31, 2014, Tata Power announced that it signed an agreement for the sale of its 30% interest in Arutmin and associated companies in coal trading and infrastructure. The aggregate consideration for Tata

Power's 30% interest is approximately U.S.\$500 million, subject to certain closing adjustments. The sale is subject to certain conditions and restructuring. Tata Power, however, continues to hold its equity stake in KPC.

Indonesian coal off-take arrangements

In addition to the equity investment in KPC, BSSR and Arutmin, the Tata Power entered into coal purchase agreements with the trading arm of KPC, which entitles it to purchase 10.11 MTPA of coal. The coal purchased under these agreements caters to the imported coal requirement of Mundra UMPP. Furthermore, Tata Power Generation also sources 2.65 MTPA through long-term contracts. For further details please refer to "Risk Factors" on page XIX and page XX of this Letter of Offer.

Investment in shipping

As part of securing fuel supplies for Mundra UMPP, Tata Power established a Singapore subsidiary, Trust Energy Resources Pte Limited., for the ownership of bulk carriers which are deployed to transport coal from Indonesia to India for the Mundra UMPP. Trust Energy Resources Pte Limited currently owns two cape size ships of 180,000 DWT, which partly meets the transport requirements of Mundra UMPP. Tata Power, through CGPL, has also established another Subsidiary, Energy Eastern Pte Limited, for the purposes of chartering ships to meet the transport requirements of Mundra UMPP. Energy Eastern Pte Limited has entered into three long-term charter party agreements as of the date of this Letter of Offer.

Indian coal mine concessions

In addition to the investments in coal mining operations and off-take arrangements in Indonesia, Tata Power has also entered into arrangements for the captive sourcing of coal in India.

On August 1, 2007, Tata Power and Hindalco Industries Limited ("Hindalco") were jointly allotted the Tubed coal block at Latehar in Jharkhand. Tata Power holds a 40% equity stake in Tubed Coal Mining Limited. Tata Power's share of the coal off-take from the Tubed coal mining block is 2.4 MTPA.

In March 2008, Tata Power formed a joint venture company, Mandakini Coal Mining Limited, for the development of the Mandakini coal block in Orissa allotted to it, jointly with Jindal Photo and Monnet Ispat. Tata Power's share of the coal off-take from the Mandakini coal mining blocks is 2.5 MTPA. However, the allocation of these coal blocks was subject to various conditions, including commencement of coal production from these blocks within specified periods. As such coal production had not commenced, the Ministry of Coal, on April 30, 2012 and June 14, 2013, issued two show cause notices in relation to the Tubed and Mandakini coal blocks, respectively, warning of possible de-allocation of these coal blocks. For further details in this regard, please refer to "Risk – Factors – Tata Power has received certain show-cause notices from the Ministry of Coal, Government of India, which could result in de-allocation of coal blocks at Mandakini and/or Tubed." on page XIX of this Letter of Offer.

Power Trading and Other Businesses

Revenues from trading and other businesses before intersegment eliminations contributed 3.22% and 4.03% of our consolidated revenues for Fiscal Year 2013 and the nine months ended December 31, 2013, respectively. Details of our power trading and other businesses are set out below.

Power Trading

As at December 31, 2013, Tata Power held a 100% stake in Tata Power Trading, a subsidiary established to engage in the trading of power in India. Tata Power Trading received a licence to trade in electricity as a category 'A' trader from the CERC on June 9, 2004 for a maximum trading volume of 100 MUs of power in the first year of trading. The trading capacity of Tata Power Trading, which is determined by the net worth of the licensee, was upgraded to category 'I' by the CERC through its letter dated June 9, 2005.

Strategic Electronics Division ("SED")

Over the last 30 years, SED has designed and developed electronic products and systems primarily for the defence industry. SED originated as an internal research and development unit for power electronics and was

recently awarded the order to modernize airfield infrastructure for the Indian Air Force. SED is not involved in the manufacture of ammunition or explosives of any kind, including cluster bombs and anti-personnel mines.

Tata Power Solar Systems Limited

As at December 31, 2013, Tata Power held a 100% stake in Tata Power Solar Systems Limited (“**Tata Power Solar**”), one of the leading companies engaged in the development of solar photovoltaic technology in India. Tata Power Solar currently has four main business lines: manufacturing and sale of solar photovoltaic cells and modules (for which it has a solar cell manufacturing facility in Bengaluru), providing engineering, procurement and construction/commissioning services as well as operations and management services to solar project developers, developing and selling solar photovoltaic products in rural markets, and developing and selling solar thermal (water heating) products in urban markets.

LITIGATION

Other than the disputes described in the section titled “*Outstanding Litigation & Defaults*”, we are a party to certain other minor legal claims and actions incidental to our business. The management believes that none of these minor claims or actions, either individually or in the aggregate, will have a material adverse effect on our business or financial condition.

EMPLOYEES

For the Fiscal Years 2011, 2012 and 2013, our full time employees based in India were 3,465, 3,703 and 3,576 respectively.

As at December 31, 2013, we had 3,675 full-time employees based in India on a standalone basis. These employees have a wide range of experience and skills in areas such as power project implementation, power project operation, and transmission operation. In addition, we also employ contract labourers at our power projects. The number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors.

INSURANCE

We believe it has adequate insurance coverage for our assets. We also have insurance coverage for public liability and directors’ and officers’ liability, which we believe to be in accordance with industry standards in India and which represents appropriate levels of coverage of our business and that of our subsidiaries.

SUSTAINABILITY

At Tata Power, corporate sustainability integrates economic progress, social responsibility and environmental concerns with the objective of improving the quality of life for all stakeholders, now and for generations to come. We remain committed to resource conservation, energy efficiency, environment protection and enrichment and development of local communities in and around our areas of operations.

INDUSTRY OVERVIEW

This information in the section below has been derived in part from various government and private publications or obtained in communications with government ministries in India. This information has not been independently verified by the Company or the Managers or any of their respective affiliates or advisers. The information may not be consistent with other information compiled within or outside India. Neither the Company nor the Managers have any actual knowledge of any material misstatement contained in this section.

Indian Infrastructure Overview

India is the third largest economy in the world after the United States of America, China and Japan in purchasing power parity terms. According to the International Monetary Fund, India is also among the fastest growing large economies globally and has grown at a compounded annual growth rate of 5.65% per annum during the last five years (2008-2012).

The Government of India has identified infrastructure inadequacy as a significant constraint in realising India's economic growth objectives. To address this infrastructure deficit, the Eleventh Five Year Plan (2007-2012) had projected an investment of ₹20,562 billion (at 2006-2007 prices), the latest available data suggests that the investment realised during Eleventh Five Year Plan would be ₹19,448 billion, reflecting an achievement of approximately 95% of the projected investment. In particular, the power sector has been recognised by the Government of India as a key infrastructure to sustain economic growth and it attracted an investment of approximately ₹6,346 billion during the Eleventh Five Year Plan, contributing 32.6% of the total investment in infrastructure, highest among the infrastructure sectors in India. The Government of India continues to recognise the inadequacy of infrastructure and importance of power sector for sustainable economic growth of India and accordingly projected an investment of ₹51,464 billion during the current Twelfth Five Year Plan (2013-2017), more than 2.5 times the investment realised during Eleventh Five Year Plan. The power sector is expected to attract 34.0% of the total investment in infrastructure during the Twelfth Five Year Plan, still highest among the infrastructure sectors in India.

PROJECTED INVESTMENT IN INFRASTRUCTURE – TWELFTH PLAN

Sectors	₹ billion	U.S.\$ billion	Sectoral share (%)
Electricity	17,473.23	281.83	34.0
Telecommunications	8,842.04	142.61	17.2
Roads and bridges	9,200.71	148.40	17.9
Irrigation	4,301.03	69.37	8.4
Railways	5,576.37	89.94	10.8
Oil and gas pipelines	1,201.75	19.38	2.3
Water supply and sanitation	2,076.84	33.50	4.0
Ports	1,605.59	25.90	3.1
Airports	710.00	11.45	1.4
Storage	476.70	7.69	0.9
Total	51,464.26	830.07	100.0

Notes:

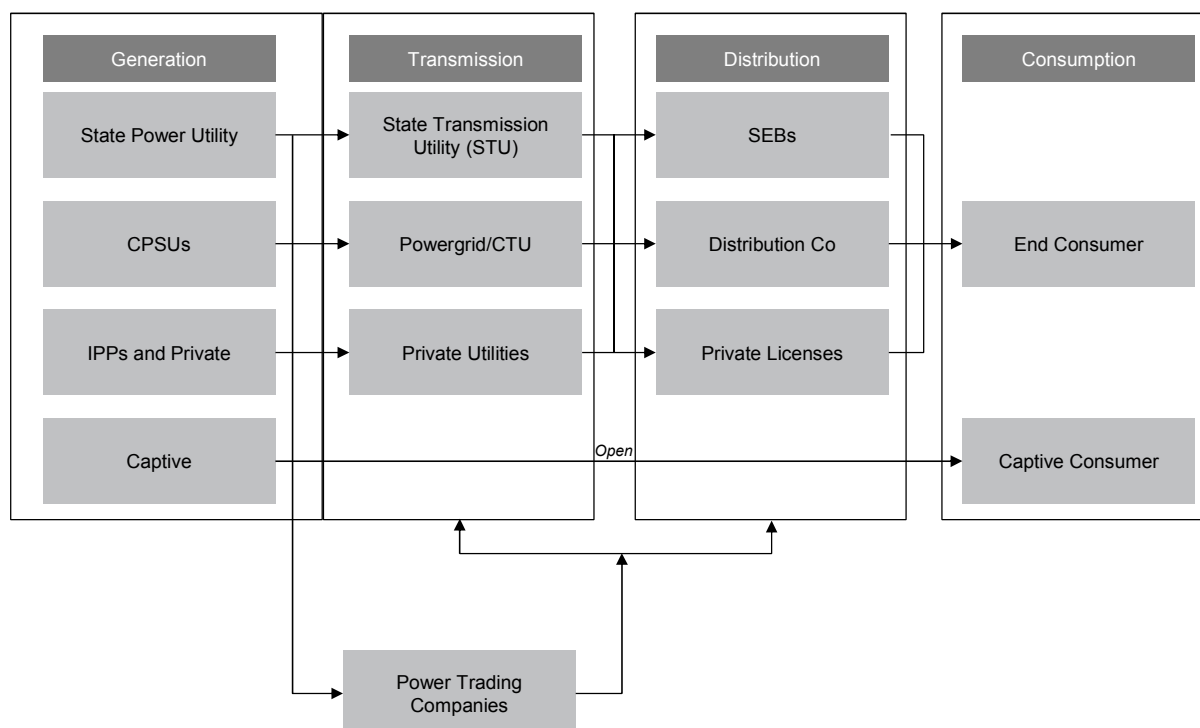
- (2011-12 prices); Electricity includes non-conventional energy; irrigation includes watershed; railways includes mass rapid transit system; and ports include inland waterways
- Converted into U.S.\$ using reference rate of R.s 62=U.S.\$1.00

Source: Planning Commission; Interim Report of the High Level Committee on Financing Infrastructure dated August 2012

Power Sector in India

Structure of the Power Industry

The following diagram depicts the current structure of the Indian power industry:



Keys to the diagram

CPSUs: Central Public Sector Undertakings

CTU: Central Transmission Utility

IPP: Independent Power Producer

SEB: State Electricity Board

Organisation of the Indian Power Sector and Regulatory Overview

Prior to India's independence, power generation and supply was primarily driven by private sector and mostly restricted to urban areas. Post-independence, the Government of India took steps to broaden the power supply base in order to stimulate growth throughout the country. The Electricity (Supply) Act, 1948, originally provided the statutory framework for the regulation of electricity in India. It was the first step towards the modern power infrastructure in India and mandated the creation of the State Electricity Boards (the "SEBs"). There is also regulation at the state level in a number of states, including Andhra Pradesh, Haryana, Karnataka, Orissa, Rajasthan and Uttar Pradesh, amongst others.

The Electricity Regulatory Commission Act, 1998, provided for the creation of the Central Electricity Regulatory Commission ("CERC") and the State Electricity Regulatory Commissions ("SERCs"). These commissions were given the power to determine energy tariffs. CERC is an independent statutory body with quasi-judicial powers. The main functions of CERC are to regulate the tariffs of generating companies, grant licenses for interstate transmission and trading and advise Government of India in the formulation of the electricity policy and the National Tariff Policy (the "NTP"). Additionally, SERCs were established to serve as the statutory body responsible for the determination of tariffs and grants of license at intrastate levels. The primary responsibilities of SERCs are to determine the tariff for the generation, supply, transmission and wheeling of electricity, whole sale, bulk or retail sale within the requisite state, to issue licenses for intrastate transmission, distribution and trading and to promote co-generation and generation of electricity from renewal sources of energy.

The Electricity Act, 2003 repealed the previous regulatory framework, including the Electricity (Supply) Act, 1948 and was the most substantive act in the power sector reforms process. It consolidated all previous policies,

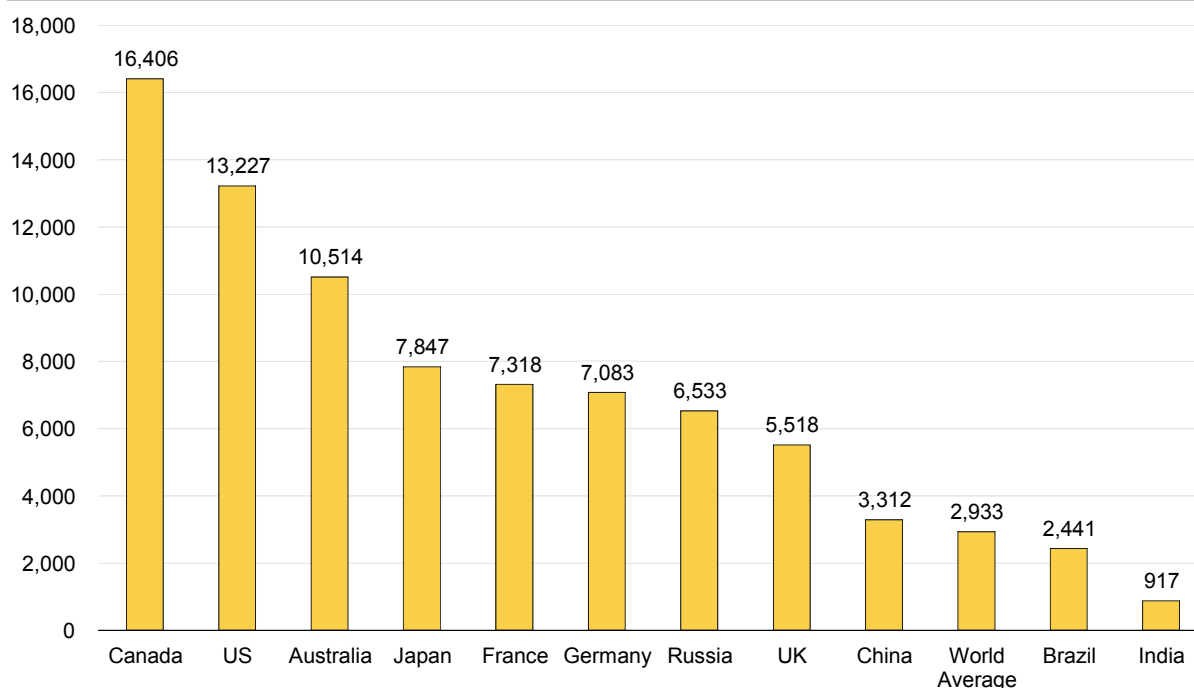
thereby streamlining the power sector. The Electricity Act, 2003 seeks to facilitate competition and contains provisions for changes in the regulation of generation, transmission and distribution. With the passage of the Electricity Act, 2003 generation became fully de-licensed.

The NTP is the main regulation governing electricity pricing in India. The main objectives of the NTP include promoting competition, efficiency in operations and improvements in the quality of supply, as well as ensuring the availability of electricity to consumers at reasonable and competitive rates, ensuring financial viability of the power sector and attracting investments and promoting transparency in the regulation of the power sector. The NTP provides guidelines in respect of multiyear tariffs, rate of returns for generation and transmission projects, tariff modalities for utilities, subsidies to consumers and cross subsidy calculations. It replaced cost plus tariff for private projects with tariff based on competitive bidding. Competitive bidding was adopted as the only mechanism for long term power procurement by distribution licensees in a phased manner.

Large Historical Energy Deficit Results in Low Per Capita Consumption of Electricity

Due to inadequate supply and distribution infrastructure, the per capita consumption of energy in India is low in comparison to most other parts of the world. The following chart shows per capita electricity consumption in 2013 in various developed and developing countries.

**Electricity consumption per capital
(KWh) (2013)**



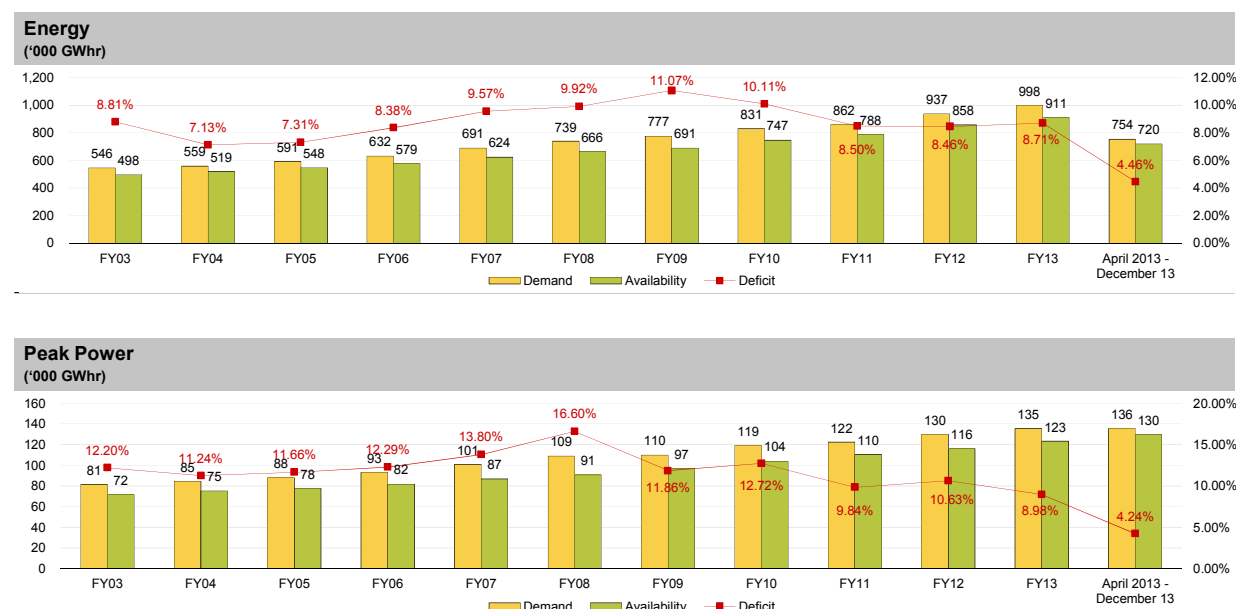
Note: The electricity consumption per capita for India is sourced from CEA for the period April 2011 to March 2012 and for the rest of the world is sourced from IEA, Key World Energy Statistics 2013

Source: IEA, Key World Energy Statistics 2013 (RoW), CEA (India)

Industry Demand-Supply Overview

The Indian power sector has historically been characterised by energy shortages. In the period from April 2012 to March 2013, peak deficit was 8.98%¹. The following table sets forth the energy and peak shortages of power in India for the periods indicated below:

Power deficit scenario

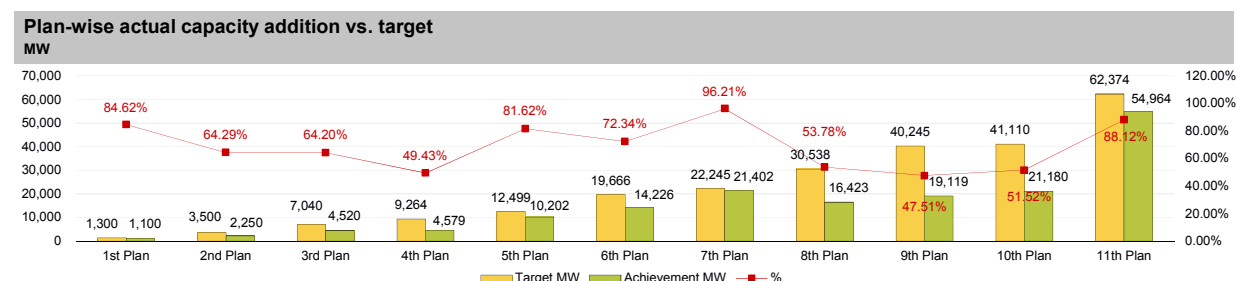


Source: CEA, *Growth of Electricity Sector in India from 1947-2013 and Executive Summary Power Sector*, December 2013

Historical Capacity Additions

The energy deficit in India is a consequence of slow progress in the development of additional energy capacity. The Indian economy is based on planning through successive five year plans (“**Five-Year Plans**”) that set out targets for economic development in various sectors, including power sector.

The following chart sets forth the targeted energy capacity addition for Five-Year Plans, the installed capacity actually achieved at the end of those Five-Year Plans and the installed capacity actually achieved as a percentage of the targeted capacity additions for each of those Five-Year Plans:



Note: Based on revised capacity addition target of 62,374 MW compared to initial target of 78,700 MW.

Source: CEA

¹ Source: CEA, “Power Scenario at a Glance”, January 2011



Capacity addition for 12th Five Plan well on target

Source:CEA

Installed Generation Capacity

The following table sets forth a summary of India's energy generation capacity in MW as at 31 December 2013 in terms of fuel source and type of ownership:

In MW	Thermal			Nuclear	Hydro	Renewable	Grand Total	% Contribution
	Coal	Gas	Diesel					
Central	45,435	7,066	-	4,780	9,717	-	66,998	29%
State	53,078	5,947	603		27,482	3,727	90,837	39%
Private	39,700	7,368	597		2,694	25,736	76,095	33%
Total	138,213	20,381	1,200	4,780	39,893	29,463	233,930	100%
% Contribution	59.1%	8.7%	0.5%	2.0%	17.1%	12.6%	100.0%	

Source: CEA, Executive Summary on Power Sector, December 2013

The Central and State governments together own and operate over 67%, of the installed power capacity in India. Prior to the Electricity Act, 2003, electricity generation was a licenced activity, owing to which there was limited private sector participation in the sector. However, post de-licensing of the sector in 2003 and ensuing power sector reforms, the regulatory environment has become more conducive leading to an increase of private sector participation in the sector.

Thermal power plants, based on coal, gas or diesel, account for over 68% of India's installed capacity and coal based power plants account for 59% of the installed generation capacity as on 31 December 2013.

Generation Capacity Addition Targets for the Twelfth and Thirteen Five Year Plans

According to the Central Electricity Authority ("CEA") Executive Summary for the month of April 2013, the energy requirement of India from April 2012 to March 2013 was 998,114 MUs and peak demand was 135,453 MW. According to the 18th Electric Power Survey, India's energy requirement will reach 1,354,874 MUs and peak demand will reach approximately 119,540 MW by Fiscal Year 2017, representing a compounded annual growth rate of 7.9% in energy requirement and 10.2% in peak demand during 2013-2017.

Fiscal year	Electrical Energy Requirement at Power Station Bus Bars (MUs)	Annual Peak Electric Load at Power Station Bus Bars (MW)
2017	1,354,874	199,540
2022	1,904,861	283,470

Source: National Electricity Plan, January 2012

To meet the projected energy requirement, CEA's target is to increase generation capacity by 88,637 MW during the Twelfth Five Year Plan. The private sector is expected to account for more than 50% of this targeted capacity addition, with the remainder being provided by the central and state governments. The dominance of coal as a largest fuel source for producing electricity in is expected to continue. During the Twelfth Five Year Plan, the capacity addition from coal/lignite sources is expected to account for 78.9% of the total target planned capacity addition.

Twelfth Five Year Plan - Target Capacity Addition						
MW	Coal / Lignite	Gas	Hydro	Nuclear	Total	% Share
State Sector	12,210	1,712	1,608	-	15,530	17.5%
Private	43,540		3,285	-	46,825	52.8%
Central	14,150	828	6,004	5,300	26,282	29.7%
Total	69,900	2,540	10,897	5,300	88,637	100.0%
% Share	78.9%	2.9%	12.3%	6.0%	100.0%	

Source:CEA,

http://www.cea.nic.in/reports/planning/capacity_addition_target.pdf

According to the Report of The Working Group on Power for the Twelfth Five Year Plan, the capacity addition requirement during the Thirteenth Five Year Plan (2018-2022) is 93,400 MW and is expected to be added from following sources of fuel.

Capacity Addition Requirement during the Thirteenth Five Year Plan

Thirteenth Five Year Plan - Target Capacity Addition					
MW	Thermal	Hydro	Nuclear	Total	% Share
Total	63,400	12,000	18,000	93,400	100.0%
% Share	67.9%	12.8%	19.3%	100.0%	

Power sector business models

The nature of a power project, in terms of whether the power generator is a public or a private entity, dictates how the tariff for a particular power project is determined. Tariffs for generating companies owned by the Government of India and other entities with interstate generation transmission operations are set by CERC. Tariffs for state sector generators are regulated by the respective state electricity regulatory commissions. Tariffs for IPPs are governed by agreements between power generation companies and the purchaser, known as power purchase agreements, and therefore can have more market components to the pricing mechanism.

Regulated two-part tariff model

Power plants commissioned by the Central Public Sector units and the State Public Sector units usually adopt two-part tariffs. As per the NTP, a two-part tariff structure has to be adopted to facilitate the merit order

dispatch. The capacity and energy charge are the elements of the two-part tariff (also referred to as cost plus approach) wherein the return on equity forms the part of the capacity charge.

As per the existing terms and conditions for the determination of tariffs prescribed by CERC, the return on equity for the generating companies is fixed at 15.5%. Hence, in a regulated environment, the returns from the project can be improved primarily by operating the power plant efficiently vis-à-vis the operating norms prescribed by CERC. Hence, if generation companies have operational norms better than normal levels, they can keep the efficiency gains subject to the applicable laws, however, any gains under debt liabilities have to be passed on to end users. This method has an inherent risk of the regulator resetting the norms for operations to a higher level. The other risk is that the user industry has the option to buy power merit order dispatch based on the variable cost of each plant.

Competitive bidding tariff structure for wholesale power supply

The Electricity Act 2003 (Section 63) makes it mandatory for the SEB/distribution licensee to procure power for the long/medium-term through a transparent bidding process. Competitive Bidding Guidelines (“CBG”) were issued by the Ministry of Power in January 2005 for medium-term (i.e. between 1 to 7 years) and long-term (i.e. over 7 years) procurement of power by SEB/distribution licensee(s). The CBG classifies the bidding as Case I (wherein plant location or fuel or technology is not specified) and Case II (wherein location and/or fuel is specified).

CBG specifies the tariff structure, timelines, security structure, bid submission and bid evaluation. A multi-part tariff structure featuring separate capacity and energy components of tariff shall ordinarily form the basis for bidding. However, for medium-term procurement of power, a single part tariff, i.e., a firm price for each year along with availability is to be used. For long-term procurement of power under Case II bidding, the bids to be invited on the basis of capacity charge and net quoted heat rate. The biggest advantage to this method is that the tariff is fixed, volume of o/p is variable (depending on the cost structure in Case I) and all gains from cost and loan book are retained by the developer.

Ultra Mega Power Projects (“UMPP”)

With the aim of meeting India’s significant power requirements, the Government has envisaged the construction of 16 UMPPs. The award of the projects is based on competitive bidding processes, with the amount of the normalised tariff for 25 years being a significant factor in the selection process. Each of the UMPPs will provide a power generation capacity of approximately 4,000 MW and use coal as fuel. The Government will ensure land and environmental clearances, off-take agreements, payment security mechanisms and also provide for fuel linkages in some cases to ensure efficient implementation of the UMPPs. The UMPPs will be awarded to developers on a Build-Own-Operate basis. To date, four UMPPs have been awarded—the project in Mundra, Gujarat has been awarded to Tata Power and the projects in Sasan, Madhya Pradesh, Krishnapattam, Andhra Pradesh and Tilaiya, Jharkhand have been awarded to Reliance Power Limited. During 2013, Government has invited bids for two additional UMPPs of 4,000 MW each in the states of Odisha and Tamil Nadu.

Mega Power Projects

In order to meet India’s increasing power needs, the Government has released revised policy guidelines for bidders to qualify for mega project power status. To receive mega project status the developer needs to create an inter-state thermal power plant of capacity 1,000MW or more, or an interstate hydro-electric power plant of capacity 500MW or more. As an exception to the above requirement, the developer needs to create either an inter-state thermal power plant of a capacity of 700MW or more, or an interstate hydro-electric power plant of capacity 350MW or more in the States of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura. The developers who qualify for mega power plant status are eligible to certain benefits, which include a zero customs duty for imported capital related to the projects; export benefits and ailment of an income tax holiday regime.

Merchant Power Plants (MPP)

MPPs generate electricity for sale at market driven rates in the open wholesale market. Typically, the MPPs do not have long-term PPAs and are built and owned by private developers. Merchant sales, however, include sale of power under short-term PPAs and on spot basis. Many new private sector players are beginning to adopt the MPP model in order to differentiate their business model. The MPPs can sell power to the power trading companies (like the Power Trading Corporation), the SEBs and industrial and bulk customers.

Captive Power Generation in India

Captive power refers to power generation from a project set up for captive industrial consumption.

The following two criteria have to be met for captive power status:

- Over 26% of the ownership of the power plant to be held by the captive user(s)
- Over 51% of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for the captive use

Dependence on captive power has been increasing due to the continuing shortage of power and India's economic growth. Reliability of power supply and economies of scale are key factors driving industrial users to develop captive generation plants.

Recent Developments in the Power Sector

CERC Tariff Determination Guidelines

On February 21, 2014, CERC has released final regulations for power tariff determination for 2014-2019. CERC has made key changes with to tax treatment and the calculation of incentives for thermal power plants. A summary of key developments is listed below.

- The base rate of return on equity ("**RoE**") shall be grossed up each financial year with the effective tax rate of the respective financial year.
- The effective tax rate shall be considered on the basis of actual tax paid in the respect of the financial year. The actual tax income on non-generation or non-transmission income not be considered for the calculation of the effective tax rate.
- The base rate of RoE shall be 15.5 per cent for thermal generating stations, transmission system, including communication systems and hydroelectric generation stations.
- The regulation requires thermal plants to calculate incentives based on plant load factor ("**PLF**") instead of plant availability factor ("**PAF**").
- The incentive for every unit of electricity generated has been kept flat at 0.50 Rupees/kWh.

New Bidding Guidelines

The Government of India is planning to implement new bidding guidelines wherein fuel cost would be a full pass through to off-takers. Bids would therefore be on capacity charge.

Transmission and Distribution Reforms

The Government of India has been working with the SEBs, distribution companies as well as many local banks to improve the financial and operation performance of the distribution sector. The on-going reform measures implemented by the Government of India include:

- Introducing a scheme to restructure short-term liabilities of large loss-making SEBs. Under the scheme, banks will reschedule the repayment of 50% of the short-term loans by giving a moratorium of three years. For the balance 50% of the exposure, the SEBs will issue bonds guaranteed by the respective state government.

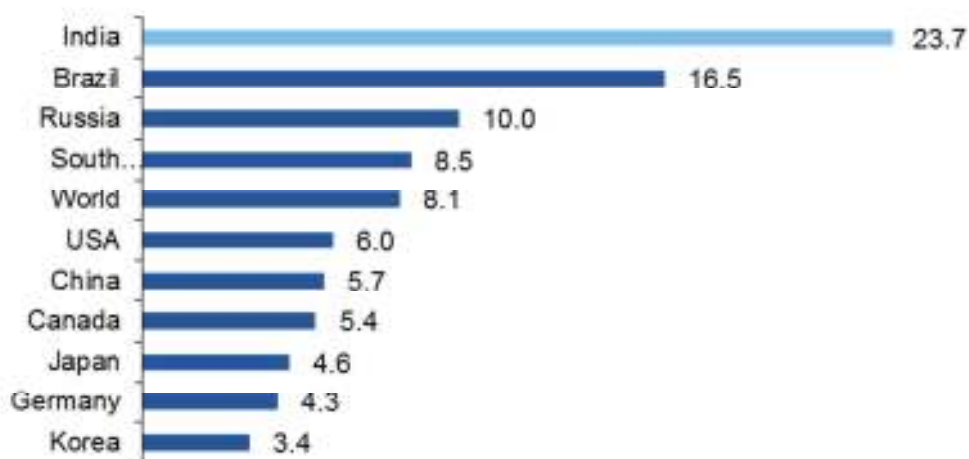
- Requiring SEBs to eliminate account/payment deficits within the next three years.
- Issuing a model for state electricity distribution management, which emphasizes that the responsibility for the long-term and sustainable operational and financial improvement and turnarounds rests with the SEBs' respective state governments.
- Allowing SEBs to apply to state regulators for regular tariff hikes. Since 2011, state regulators have provided for regular tariff revisions.
- Improving infrastructure to reduce transmission and distribution losses. Over the last 10 years average transmission and distribution losses have been reduced from 34% of total electrical output to 24%.

The chart below shows the transmission and distribution losses as a percentage of output for the periods indicated.



Source: CEA, International Energy Association

The chart below compares transmission and distribution losses by country.



Source: CEA, International Energy Association

Notes:

(1) Data for India is as of March 31, 2012. Data for all other countries is as of December 2011

Transmission and Distribution

In India, the transmission and distribution system is a three-tier structure comprising regional grids, state grids and distribution networks. The five regional grids, structured on a geographical contiguity basis, facilitate transfer of power from a power surplus state to a power deficit state. The regional grids also facilitate the optimal scheduling of maintenance outages and better co-ordination between the power plants. The regional grids shall be gradually integrated to form a national grid so that the regional power imbalances could be addressed better, thereby facilitating a more optimal utilisation of the national generating capacity. Most inter-regional and interstate transmission links are owned and operated by the Power Grid Corporation of India Limited (“PGCIL”) though some are jointly owned by the SEBs. The Government of India has permitted private investment in transmission sector, and it has encouraged Foreign Direct Investment (“FDI”) in this sector.

The Electricity Industry in the Indian state of Maharashtra

Maharashtra Electricity Regulatory Commission (“MERC”)

In accordance with the Electricity Regulatory Commission Act 1998, the Government of Maharashtra established the MERC. The main functions of the MERC are to determine the tariff structures for electricity (wholesale, bulk, grid or retail) in the state of Maharashtra. The MERC also determines the tariff payable for the use of transmission facilities, regulates power purchases and the procurement process of transmission utilities and distribution utilities, issuing intra-state transmission, distribution and trading licences, and also promotes competition and efficiency in the activities of the electricity industries.

Under current legislation, all power generation companies in Maharashtra are required to approach the MERC for all issues related to tariffs and their determination (with the exception of tariffs determined through a competitive bidding process, on captive power projects or contracts for the sale of power with a term of less than one year). The MERC also administers relevant national and state regulation applicable to power generation companies in Maharashtra, sets relevant tariff orders for them as well as presides over the resolution of disputes involving them in Maharashtra. The MERC regulates the normative performance requirements applicable to power generation companies in Maharashtra under its tariff orders, as regards price escalation, heat consumption, availability requirements as percentages of power generated and transmitted, and specified working capital expenditure.

Maharashtra SEB (“MSEB”)

The Government of Maharashtra has unbundled the MSEB into a number of offshoot corporate entities for the generation, transmission and distribution of power, which are now in operation. Merit order principles are being followed for the purchase of power by these entities in accordance with recommendations from MERC.

MERC has introduced several regulations such as those regarding standards of performance, open access and the Maharashtra Electricity Grid Code, to ensure compliance with the Electricity Act, 2003. MSEB and the successor entities have in the past been adversely affected due to costly power purchases made to meet the demand-supply gap. However MSEB has been able to reduce the AT&C Losses and to improve its cash collections considerably.

Mumbai Licence Area

Electricity in Mumbai is supplied by two private utility companies with distribution licences (Tata Power and R-Infra) and a public undertaking (BEST). The table below sets out a brief description of the source of power for these three suppliers in Mumbai.

Licensee	Primary Source of Power
BEST	Does not own generating assets. Purchases power from Tata Power.
R-Infra	Sources its power requirement from its own 500 MW plant situated at Dahanu near Mumbai.

	Shortfall is purchased from Tata Power.
Tata Power	Sources power from its own generating assets located in Maharashtra. The shortfall, if any, is purchased through short term bilateral contracts and through power exchanges.

Source: Maharashtra Electricity Regulatory Commission ("MERC")

Power Trading

Historically the main suppliers and consumers of bulk power in India have been the various government controlled generation and distribution companies who typically contracted power on a long-term basis by way of PPAs with regulated tariffs. However, in order to encourage the entry of merchant power plants and private sector investment in the power sector, the Electricity Act, 2003, recognised power trading as a distinct activity from generation, T&D and has facilitated the development of a trading market for electricity in India by providing for open access to transmission networks for normative charges. Power trading involves the exchange of power from utilities with surpluses to utilities with deficits. Recent regulatory developments include the announcement of rules and provisions for open access and licensing related to interstate trading in electricity.

The Power Exchanges

CERC has issued guidelines for setting up power exchanges, pursuant to which three power exchanges have been set up, viz. the Indian Energy Exchange ("IEX"), Power Exchange India Ltd ("PXIL") and the National Power Exchange Limited ("NPEX").

The power exchanges are designed to provide a fair and transparent mechanism for efficient price discovery of power that is traded, and the exchanges are intended to stabilise the market rate of surplus power. The trading system is based on an auction mechanism.

The following table shows the volume and prices of power traded in India for the last four years:

Volume of electricity transacted through Trading Licensees and Power Exchanges				
Particulars	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Power traded through trading Licensees (billion units)	26.72	27.7	35.84	36.12
Power traded through Power Exchanges (billion units)	7.19	15.52	15.54	23.54
Power traded (billion units)	33.91	43.22	51.38	59.66
Total Power Generated	764.03	809.45	874.17	907.49
Electricity traded as % of Total Generation	4.44%	5.34%	5.88%	6.57%
Weighted average tariff for power traded through trading Licensees (₹)	5.26	4.79	4.18	4.33
Weighted average tariff for power traded through trading Exchanges (₹)	4.96	3.47	3.57	3.67

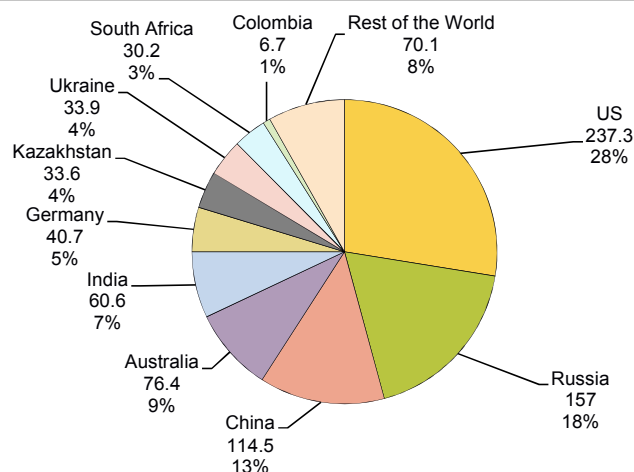
Source: Report on Short-term Power Market in India: 2012-13; CERC

Global Coal Industry Overview

Coal meets approximately 41.3% of world's electricity demand² and in India coal accounts for 59.1% of the total installed capacity of electricity generation. The United States has the largest proven coal reserves, followed by Russia, China, Australia and India.

Global coal proved reserves at the end of 2012

(Million Tons)



Source: BP Statistical Review of World Energy June 2013

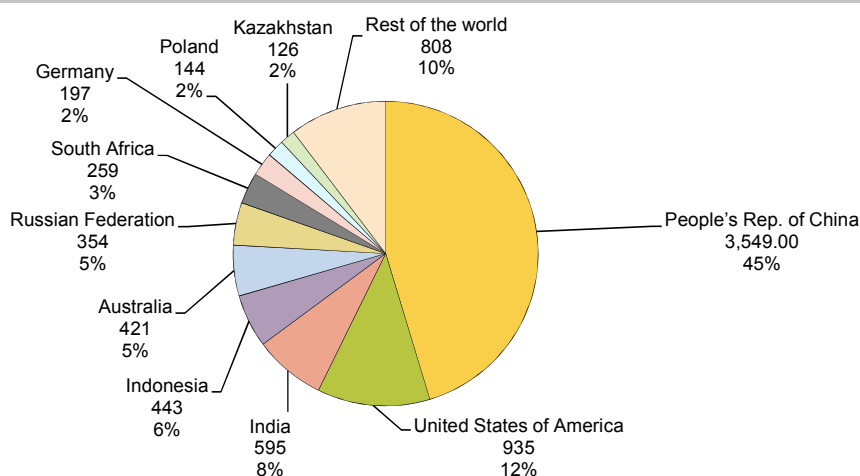
Although coal deposits are widely distributed across the world, 75% of the global coal reserves are located in five countries: the United States (27.6%), Russian Federation (18.2%), China (13.3%), Australia (8.9%) and India (7.0%).

Global coal production and consumption

Global coal production in 2012 was 7,831 million tons with the top five producers contributing 75.9% of total production. India is the third largest coal producing country in the world after China and United States (by million tons) and India contributes 7.6% of total global coal production.

Worldwide coal production statistics (Calendar year 2012)

(Million Tons)



Source: Key World Energy Statistics 2013; IEA

²

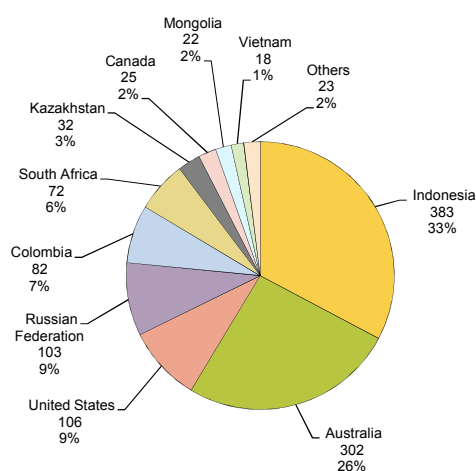
Source: World Energy Statistics 2013, IEA

Global coal exports and imports

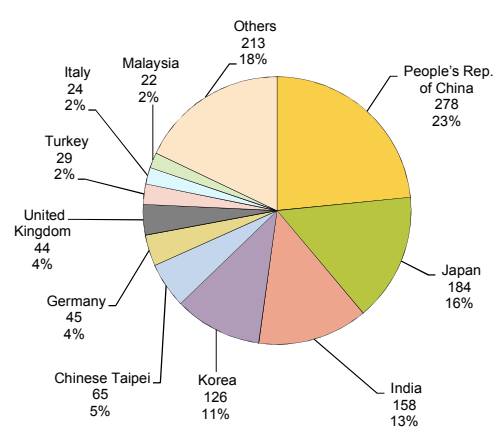
According to Key World Energy Statistics 2013 published by IEA, a total of 1,168 million tons of coal was exported globally in 2012 which is approximately of 15% of the total coal produced in 2012. The major coal exporting countries in the world in 2012 were Indonesia (383 million tons), Australia (302 million tons), United States of America (106 million tons) and Russian Federation (103 million tons).

During the same 2012 period a total of 1,188 million tons of coal was imported. The major coal importing countries in 2012 were China (278 million tons), Japan (184 million tons), India (158 million tons), Korea (126 million tons), Taiwan (65 million tons). The following charts show the respective export and import by country in 2012.

Net Exporters
(Million Tons)



Net Importers
(Million Tons)



Indonesia coal industry overview

According to Key World Energy Statistics 2013 published by IEA, 383 million tons of coal was produced in Indonesia in 2012, representing 5.7% of the global production in 2012.

Indonesian coal is generally low in ash and sulphur content, but has high moisture content. The majority of Indonesia's coal resources are located in Sumatra and Kalimantan, with a relatively higher quality coal being mined in Kalimantan.

The coal export industry in Indonesia is based on contracts of works granted by the government, a system first introduced to attract foreign investment. Major foreign investors in Indonesia initially included international mining companies such as Rio Tinto Plc, BHP Billiton Plc and British Petroleum Plc.

Indian coal mining

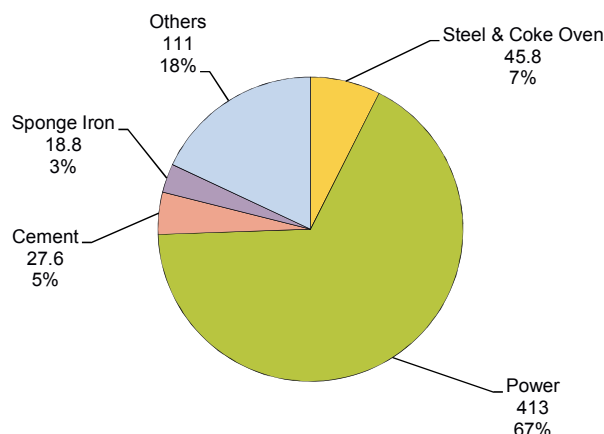
India has the fifth largest coal reserve in the world. However, due to restrictions on the entry of private sector companies into coal mining, India's coal production has remained low in comparison to its reserves relative to other countries such as China.

According to BP Statistical Review of World Energy June 2013 and Key World Energy Statistics 2013 published by IEA, China has 13.3% share of global proven coal reserves and accounts for 45.3% of world's coal production, whereas India has 7.0% of the global proven coal reserves and yet accounts for only 7.6% of the world's coal production.

Coal usage by sector in India

The Power sector constitutes majority of the total coal consumption in India with a 67% (including captive power) share of coal usage.

Coal usage by sector in FY2011
(Million Tons)



Source: Ministry of Coal, Report of Working Group on Coal & Lignite for Formulation of the Twelfth Five Year Plan (2012-2017)

Coal Demand / Supply in India

According to the Ministry of Coal, the coal consumption in India increased at a CAGR of 6.7% from FY2007 to FY2012, reaching 640 million tons while the indigenous supply of coal increased at a lower CAGR of 4.9% during the same period. As a result of slower growth in indigenous supply of coal in India during FY2007 to FY2012, coal imports increased from 43 million tons in FY2007 to 105 million tons in FY2012, representing a CAGR of 19.5%.

Year	FY2008	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	CAGR ⁽¹⁾
million tons						(Provisional)	(Estimate)	%
Demand (Annual Plan)	474	493	550	598	656	696	692	8.0%
Consumption	464	504	549	582	594	640	—	6.7%
Indigenous Supply	421	454	490	515	524	535	583	4.9%
Imports	43	50	59	68	70	105	—	19.5%

Source: Annual Report for FY2013 of Ministry of Coal, Report of the Working Group on Coal and Lignite for Formulation of the Twelfth Five Year Plan (2012-2017)

Notes:

(1) Excludes 2013 Estimates

According to the Report of the Working Group on Coal and Lignite for Formulation of the Twelfth Five Year Plan, the demand for coal in India is expected to reach 981 million tons and the indigenous supply of coal is expected to reach 715 million tons by FY2017. The gap of 266 million tons by FY2017 between the demand for coal and indigenous supply will have to be bridged through import of coal from global markets. This gap of 266 million tons in FY2017 is expected to reach 423 million tons in FY2022 (terminal year of the Thirteenth Five Year Plan).

Expected Coal Demand / Supply		
million tons	FY2017E	FY2022E

Demand (Annual Plan)	981	1,373
Indigenous Supply	715	950
Gap	266	423

Source: Report of the Working Group on Coal and Lignite for Formulation of the Twelfth Five Year Plan (2012-2017)

Imports of Coking, Non-Coking Coal and Coke in India						
Million Tons	FY2009	FY2010	FY2011	FY2012	FY2013	CAGR (4-Years)
Coking Coal	21.1	24.7	19.5	31.8	32.6	11.5%
Non-coking Coal	37.9	48.6	49.4	71.1	105.0	29.0%
Coke	1.9	2.4	1.5	2.4	3.1	13.0%
Total Import	60.9	75.6	70.4	105.2	140.6	23.3%

Source: Ministry of Coal of India.

OBJECTS OF THE ISSUE

Our Company intends to utilise the proceeds from the Issue, after deduction of the Issue related expenses (hereinafter referred to as the “**Net Proceeds**”), towards funding the following objects:

1. Part funding of capital expenditure proposed to be incurred by our Company in terms of the orders of the Maharashtra Electricity Regulatory Commission (“**MERC**”) under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 (“**MYT Regulations**”) towards the generation, transmission and distribution of electricity in the Mumbai License Area;
2. Part repayment of certain borrowings of our Company;
3. Extend facilities to our Subsidiary, CGPL, which shall, in turn, be utilised by CGPL towards part repayment of certain of its outstanding loans; and
4. General corporate purposes.

The main objects and objects incidental or ancillary to the main objects set out in our Memorandum of Association enable our Company to undertake its existing activities and the activities for which the funds are being raised by our Company through this Issue.

The details of the Net Proceeds are summarised in the table below:

(in ₹ crore)	
Particulars	Amount
Gross Proceeds	1,993.34
Issue related expenses	[●] ⁽¹⁾
Net Proceeds	[●] ⁽¹⁾

[Note 1: To be inserted]

Means of Finance

The means of finance set out below are based on our internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on the prevailing business environment and, specifically with respect to part funding of capital expenditure in relation to the Mumbai License Area, are in line with the approvals issued by the MERC pursuant to various applications filed by our Company. Accordingly, deployment of the Net Proceeds may need to be revised as a result of any changes to the prevailing commercial, regulatory or other external factors, which may not be within the control of our management. Such changes may entail rescheduling, revising or redirecting certain of the Net Proceeds at the discretion of the management.

The following table sets forth the total expenditure expected to be incurred in relation to the objects of the Issue, the amounts proposed to be financed from the Net Proceeds, and other means of financing:

(in ₹ crore)				
Particulars	Total Estimated Cost / Repayment obligations	Amount proposed to be financed from Net Proceeds	Amount proposed to be financed from Loans	Net Proceeds proposed to be utilised on or prior to March 31, 2015
Part funding of capital expenditure proposed to be incurred by our Company in terms of the orders of the MERC under the MYT Regulations towards the generation, transmission and distribution of electricity in the Mumbai License Area	1,000.00	300.00	700.00	300.00

Particulars	Total Estimated Cost / Repayment obligations	Amount proposed to be financed from Net Proceeds	Amount proposed to be financed from Loans	Net Proceeds proposed to be utilised on or prior to March 31, 2015
Part repayment of certain borrowings of our Company	573.42 ⁽¹⁾	573.42	-	573.42
Extend facilities to our Subsidiary, CGPL, which shall, in turn, be utilised by CGPL towards part repayment of certain of its outstanding loans	[●] ⁽²⁾⁽³⁾	[●] ⁽³⁾	-	[●] ⁽³⁾
General corporate purposes	500.00	500.00	-	500.00
Grand Total	N.A.	1993.38	700.00	1993.38

Note 1: As per the certificate of [●], Chartered Accountants (Membership Number: [●]) dated [●].

Note 2: As per the certificate of [●], Chartered Accountants (Membership Number: [●]) dated [●].

[Note 3: To be inserted]

To the extent the Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects of the Issue on or prior to March 31, 2015, the Company shall deploy the Net Proceeds in the subsequent Financial Years towards the aforementioned means.

Details of the activities to be financed from the Net Proceeds

1. Part funding of capital expenditure proposed to be incurred by our Company in terms of the orders of the MERC under the MYT Regulations towards the generation, transmission and distribution of electricity in the Mumbai License Area

Background

Pursuant to the notification of the Electricity Act and the powers granted to the MERC thereunder, the MYT Regulations was notified in 2011. The MYT Regulations governs determination of tariffs from April 1, 2011 up to March 31, 2016 for (a) supply of electricity by a generating company to a distribution licensee; (b) intra-state transmission of electricity; (c) rates and charges for use of intervening transmission facilities; (d) distribution wires business of electricity; and (e) retail supply business of electricity, and is applicable to all existing and future power generating companies, transmission licensees and distribution licensees.

By way of a resolution bearing no: IEA-2001/ CR-10509/ NRG-1 dated July 12, 2001, our Company received a license by the Government of Maharashtra for the supply of power to the public in the Mumbai License Area and to supply energy in bulk to distribution licensees. Our distribution license for the Mumbai License Area, issued by the MERC under the Electricity Act, is currently valid until August 14, 2014. Our Company has submitted an expression of interest to the MERC, by way of a letter dated January 31, 2014, and is currently in the process of filing a formal application for issuance of the requisite license. For further details, please refer to the section “Risk Factors” on page XVI.

In terms of the MYT Regulations, the MERC shall determine the tariffs under a multi-year tariff framework for the period from April 1, 2011 up to March 31, 2016 (“Control Period”) based on several elements including the following:

- Forecast of the aggregate revenue requirement (“ARR”) and expected revenue from existing tariff and charges which shall be submitted by individual applicant and approved by the MERC;
- A detailed business plan based on operational norms and trajectories of performance parameters for each year under the Control Period that shall be submitted by the applicant;

- c. Changes in indexation if required for indexed parameters as notified by the MERC by order to that effect;
- d. Mid-term review of performance vis-à-vis forecasts broken down into factors within the control of the applicant and others outside the control of the applicant;
- e. Mechanism of pass through of approved gains or losses on account of controllable factors and uncontrollable factors as specified by the MERC; and
- f. One time tariff determination for each of the years under the Control Period to be undertaken at the start of the Control Period and reviewed at the time of the mid-term performance review.

In case of schemes wherein the value of the scheme is at least ₹ 10 crores, detailed project reports are required to be submitted to the MERC for its approval. Such DPRs typically include the following details:

- purpose of the scheme;
- details of alternatives evaluated;
- financial details including estimated costing; and
- benefits of the scheme.

MERC reviews the DPR submitted and raises certain follow-up queries, if required, seeking further information on the scheme. A formal response to such queries is then filed with the MERC. This process continues until the MERC is satisfied with the DPR, upon which the MERC approves the scheme on the basis of a particular DPR. Post approval of a scheme, an applicant is required to submit quarterly and half yearly reports to MERC indicating the amount spent in each quarter or half year, as the case may be, vis-a-vis the total project cost in order to assess the progress of the scheme on a quarterly basis or half yearly basis, as the case may be. The half yearly report also indicates the status of implementation of a scheme in terms of expenditure incurred and item-wise physical progress achieved during the implementation of a scheme.

Upon conclusion of a financial year, a true-up petition is filed before the MERC, which, amongst other things, sets out the capitalisation in respect of the approved scheme in the course of the financial year. The true-up petition includes a cost benefit analysis of such capitalization, based on which the MERC approves the capitalization for the financial year under consideration. Furthermore, for such schemes that have been commissioned and charged, a completion report is required to be submitted, which sets out the savings, if any, in the value of the scheme vis-à-vis the value of the scheme approved by the MERC. Any increase in the cost of a scheme is considered by the MERC in the true-up order for the purposes of determination of the tariff.

Applications to the MERC

Our Company submitted the following applications for consideration by the MERC under the MYT Regulations:

- a. Application by our Company's generation business ("**Tata Power - G**") dated January 15, 2013, in terms of the order of the MERC dated August 9, 2012, for the second Control Period from FY 2012-13 to FY 2015-16;
- b. Application by our Company's transmission business ("**Tata Power - T**") dated October 10, 2012, in terms of the order of the MERC dated June 28, 2012, for the second Control Period from FY 2012-13 to FY 2015-16; and
- c. Application by our Company's distribution business ("**Tata Power - D**") dated November 27, 2012, in terms of the order of the MERC dated August 26, 2012, for the second Control Period from FY 2012-13 to FY 2015-16.

Orders passed by the MERC

The MERC passed the following orders with respect to the aforementioned applications submitted by our Company:

- a. *Order dated June 5, 2013 with respect to the application made by Tata Power - G*

The order of MERC considered the earlier order of the MERC dated August 9, 2012 on the business plan submitted by Tata Power - G, additional detailed project reports (“DPRs”) submitted by Tata Power - G post the August 9, 2012 order and approved by the MERC, withdrawals of capital expenditure schemes by Tata Power - G and an additional 20% capitalisation over approved capitalisation against DPR schemes towards unplanned capital expenditure or capital expenditure yet to be approved. Accordingly, the approved capitalisation is as follows:

(in ₹ crore)

Particulars	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
DPR approved in the August 9, 2012 order	220.42	249.69	32.52	13.79
DPR approved post the August 9, 2012 order	27.42	362.97	991.84	1.40
Less: Withdrawn capital expenditure scheme	(30.00)	(50.00)	0.00	0.00
Add: 20% additional capitalisation approved ¹	43.57	100.78	30.87	3.04
Grand Total	261.41	663.44	1,055.23	18.23

Note 1: MERC did not approve 20% additional capitalisation for non-regular capital expenditure which were viewed as exceptional one time capital expenditure

This order of the MERC was effective from June 1, 2013 and shall continue to be in force until March 31, 2016. However, the MERC will undertake a mid-term review of the performance of Tata Power - G during the third quarter of FY 2014-15.

b. Order dated March 30, 2013 with respect to the application made by Tata Power – T

The MERC considered the capitalisation approved by way of its order passed on June 28, 2012 as well as the capital expenditure for new schemes submitted by Tata Power - T, subsequent to its order dated June 28, 2012, non-DPR schemes claimed by Tata Power - T, variations in approved capital expenditure vis-à-vis those submitted by Tata Power - T by pro-rata reducing / increasing for the purpose of approval of capitalisation over the Control Period. Accordingly, the approved capitalisation is as follows:

(in ₹ crore)

Particulars	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
DPR approved	714.54	373.72	1,036.87	1,221.40
DPR submitted but yet to be approved	Nil	Nil	12.94	18.20
Non DPR schemes and Head Office & Support Services ¹	37.99	25.64	11.36	11.49
Grand Total	752.53	399.36	1,061.17	1,251.09

Note 1: MERC reserves the right to revisit the Head Office & Support Services expenditure upon scrutiny of actual capitalisation at the time of the mid-term review for the Control Period

This order of the MERC was effective from March 30, 2013 and shall continue to be in force until March 31, 2016. However, the MERC will undertake a mid-term review of the performance of Tata Power - T during the third quarter of FY 2014-15.

c. Order dated June 28, 2013 with respect to the application made by Tata Power – D

The MERC considered the capitalisation that it approved in its order dated August 26, 2012 as well as the entire in-principle approved capitalisation of ₹ 785.25 crore. It however deemed it unnecessary to continue with the 20% additional capitalisation that it had earlier considered in its order dated August 26, 2012. Accordingly, the approved capitalisation is as follows

(in ₹ crore)

Particulars	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Capitalisation approved	774.12	902.33	81.84	Nil

This order of the MERC was effective from July 1, 2013 and shall continue to be in force until March 31, 2016. However, the MERC will undertake a mid-term review of the performance of Tata Power - D during the third quarter of FY 2014-15.

Nature and types of schemes submitted in the applications by our Company and approved by the MERC

Generation Schemes

The generation schemes that have been approved by the MERC include (i) enhanced coal berth augmentation systems at Trombay; (ii) unified SCADA (supervisory control and data acquisition) systems at Trombay; and (iii) up gradation of systems for the different units at the Trombay including (a) modernisation of boiler lift at Unit 5; (b) replacement of condenser inlet valves at Unit 6; (c) replacement of motor protection at each of Unit 5, Unit 6 and Unit 7; (d) up gradation of protection systems at Unit 5; and (e) cooling water pump replacement at Unit 7 and cooling water pump modification at Unit 8.

Transmission Schemes

The transmission schemes that have been approved by the MERC include (i) installation of (a) a 220 KV transmission line from Kalwa to Salsette; (b) a 220 KV Trombay Dharavi Salsette transmission line; (c) 145 KV GIS (gas insulated switchgear) at Bandra Kurla Complex in Mumbai; (d) 145 KV GIS at HDIL, Kurla; (e) 220 KV GIS at Mahalaxmi, Mumbai; (f) a 75 MVA transformer with a 33 KV GIS at Parel, Mumbai; and (ii) replacement of a 22 KV bus section at Dharavi, Mumbai.

Distribution Schemes

The Company undertakes on an on-going basis several schemes for development of its distribution network including acquisition of new customers and meeting additional load requirements at existing locations. To this end the distribution schemes that have been approved by the MERC include providing new connections in identified locations that would involve (i) installation of consumer sub-stations; (ii) setting up ring main units (“RMUs”); (iii) setting up distribution transformers; (iv) laying of HT/LT metering equipment; and (v) laying of HT/LT cables.

As mentioned earlier the Company shall retain the right to determine the schemes towards which it shall deploy the Net Proceeds as its equity contribution and the aforesaid set of schemes are merely illustrative in nature. Further as mentioned herein above the capitalization of the schemes that the Company intends to deploy the Net Proceeds as its equity contribution is expected to be completed within the Control Period. However in the event the capitalization is delayed beyond the Control Period or where the actual capital expenditure is in excess of the planned capitalization, the capitalization would be subject to the necessary truing up of the actual capital expenditure and also considering any impact of any delays in capitalization, by the MERC. Further the Company may fund any increase in the capital expenditure in relation to the schemes identified for the purpose of deployment of the aforementioned ₹ 300.00 crore of the Net Proceeds in any manner it deems fit including from its internal accruals, fresh capital raises or additional borrowings or any combination thereof. Please also see section titled “Risk Factors” beginning on page XV of this Letter of Offer.

Capital Expenditure

Our Company proposes to deploy ₹ 300.00 crore of the Net Proceeds as its equity contribution towards the proposed capital expenditure of ₹ 1,000.00 crore to be utilised on or prior to March 31, 2015. The aforementioned equity contribution is in line with the provisions of Regulation 30 of the MYT Regulations, which requires our Company to contribute 30% of the proposed capital expenditure by way of equity. The aforementioned capital expenditure is towards the approved capital expenditure schemes submitted by our Company to the MERC.

As mentioned above, the capital expenditure of ₹ 1,000.00 crore shall be utilised towards various schemes that have been submitted by our Company in its applications to the MERC and which have been subsequently approved by the MERC by way of its orders described above. Consequently, the capital expenditure of ₹ 1,000.00 crore and the allocation of Net Proceeds, to the extent of ₹ 300.00 crore, with respect to the individual schemes, shall be decided by the Board of Directors or a duly authorised committee thereof, at its sole discretion. Such discretion will be based on the assessment of the prevalent circumstances of the business, commercial considerations and any regulatory requirements.

The means of finance towards the capital expenditure of ₹ 1,000.00 crore is described below:

(in ₹ crore unless stated otherwise)

Particulars	Amount
-------------	--------

Proposed capital expenditure (A)	1,000.00
Amount proposed to be financed through the Net Proceeds (B)	300.00
Funding required excluding Net Proceeds ("Net Means of Finance" (C) = (A) - (B)	700.00
75% of Net Means of Finance (D) = (75% of C)	525.00
Debt tied-up (E) ¹	525.00
Firm Arrangement of Net Means of Finance (F) = (E) / (C) x 100	75%

Note 1: Please refer to "Debt Tied-up" below for information in relation to the debt tie-up

Debt Tied-up

Our Company has received firm sanctions from the following lenders. The details are briefly covered herein below:

S No	Particulars	Amount (in ₹ crore) ¹	Brief terms of the sanction letter
1	Sanction Letter for Term Loan Facility dated June 28, 2013 issued by HDFC Bank Limited	300.00	<p>Purpose: For meeting capital expenditure in the Mumbai License Area.</p> <p>Tenor: Door –to–door tenor of 13 years.</p> <p>Repayment: 2-year moratorium. Quarterly repayment with 7.5% of the total amount payable every year for the first 10 years and 25% in the last year.</p> <p>Security: First <i>pari passu</i> charge on all movable fixed assets (excluding land and buildings) of the Company, both present and future (except assets of all wind projects both present and future) including moveable machinery, spares, tools and accessories with minimum asset cover of 1.25 times.</p>
2	Sanction Letter for Term Loan Facility dated July 04, 2013 issued by HDFC Bank Limited	300.00	<p>Purpose: For part funding of the capital expenditure for Mumbai area operations.</p> <p>Tenor: 13 years (including 2 years moratorium from the date of first draw down).</p> <p>Repayment: 2-year moratorium. Quarterly repayment in equal installments with 7.5% of the total amount payable every year for the first 10 years and 25% in the last year payable in four equal quarterly installments.</p> <p>Security: First <i>pari passu</i> charge on all movable fixed assets (excluding land and buildings) of the Company, both present and future (except assets of all wind projects both present and future) including moveable and immovable assets relating to the projects, current and future receivables relating to the wind mill projects, and the Company's contractual rights under any documents and insurance and proceeds thereof, subject to security created or to be created in favour of bankers of the Company on the stocks of raw materials, semi-finished and finished goods, consumable stores and such other moveables of the Company as may be agreed to by the lender for securing working capital facilities in the ordinary course of business.</p>
3	Sanction Letter for	350.00	Purpose:

S No	Particulars	Amount (in ₹ crore) ¹	Brief terms of the sanction letter
	Rupee Term Loan Facility dated February 17, 2014 issued by HDFC Bank Limited		<p>For meeting capital expenditure in the Mumbai License Area.</p> <p>Tenor: Door –to–door tenor of 13 years.</p> <p>Interest and Interest Rate: 10.45% per annum linked to the base rate.</p> <p>Repayment: 2-year moratorium. Quarterly repayment with 7.5% of the total amount payable every year for the first 10 years and 25% in the last year.</p> <p>Security: <i>Pari passu</i> first charge on all movable fixed assets (excluding land and buildings) of the Company, both present and future (except assets of all wind projects both present and future) including moveable machinery, spares, tools and accessories with minimum asset cover of 1.25 times.</p>
3			
	Grand Total	950.00	-

Note 1: Certificate dated [•] from [•], Chartered Accountants (Membership No. [•])

2. Part repayment of certain borrowings of our Company

As of December 31, 2013, our Company had a total outstanding indebtedness of ₹ 9,094.04 crores. We propose to utilise an amount of ₹ 573.42 crores from the Net Proceeds towards part repayment of certain borrowings availed by our Company. The following table provides the details of the borrowings availed by our Company proposed to be repaid from the Net Proceeds:

Lender	Nature of indebtedness	Purpose	Sanctioned Amount (in ₹ crores)	Amount Outstanding as on December 31, 2013 (in ₹ crores) ⁽¹⁾	Repayment Schedule	Maximum Amount proposed to be repaid from Net Proceeds (in ₹ crores)
Central Bank of India (Debenture Trustee)	Transferable, secured redeemable, non-convertible debentures	To augment long term resources of the Company for capital expenditure and general corporate purposes	600	420	<p>At the end of nine years: ₹. 3,00,000 per debenture</p> <p>At the end of ten years: ₹ 4,00,000 per debenture</p> <p>At the end of eleven years: ₹ 3,00,000 per debenture</p> <p>Each from the date of allotment.</p>	293.7
Centbank	Secured, non	To augment funds	350	275	Series A -	25

Lender	Nature of indebtedness	Purpose	Sanctioned Amount (in ₹ crores)	Amount Outstanding as on December 31, 2013 (in ₹ crores) ⁽¹⁾	Repayment Schedule	Maximum Amount proposed to be repaid from Net Proceeds (in ₹ crores)
Financial Services Limited (Debenture Trustee)	convertible, non - cumulative, redeemable, taxable debentures with separately transferable redeemable principal parts	to meet the Company's requirements for general corporate purposes, and/or refinancing of existing debt.			July 23, 2011 Series B - July 23, 2012 Series C - July 23, 2013 Series D - July 23, 2014 Series E - July 23, 2015 Series F - July 23, 2016 Series G - July 23, 2017 Series H - July 23, 2018 Series I - July 23, 2019 Series J - July 23, 2020 Series K - July 23, 2021 Series L - July 23, 2022 Series M - July 23, 2023 Series N - July 23, 2024 Series O - July 23, 2025	
Centbank Financial Services Limited (Debenture Trustee)	Secured, non convertible, non - cumulative, redeemable, taxable debentures with separately transferable redeemable principal parts	General corporate purpose and/or for part funding of the capital expenditure requirements relating to wind power projects.	250	202	Series A - September 17, 2011 Series B - September 17, 2012 Series C - September 17, 2013 Series D - September 17, 2014 Series E - September 17, 2015 Series F - September 17, 2016 Series G - September 17, 2017 Series H -	16

Lender	Nature of indebtedness	Purpose	Sanctioned Amount (in ₹ crores)	Amount Outstanding as on December 31, 2013 (in ₹ crores) ⁽¹⁾	Repayment Schedule	Maximum Amount proposed to be repaid from Net Proceeds (in ₹ crores)
					September 17, 2018 Series I - September 17, 2019 Series J - September 17, 2020 Series K - September 17, 2021 Series L - September 17, 2022 Series M - September 17, 2023 Series N - September 17, 2024 Series O - September 17, 2025	
IDFC Limited	Rupee Loan	Financing the Company's capital expenditure requirements in the Mumbai license area.	150	121.88	In 40 structured quarterly installments commencing from the expiry of 3 months from the date of first disbursement.	7.5
IDFC Limited	Rupee Loan	Capital Expenditure Requirements	450	353.95	In 36 quarterly installments.	22.60
IDFC Limited	Rupee Loan	Financing the Company's capital expenditure requirements in the Mumbai Operations	800	785	In 44 structured quarterly instalments commencing from the expiry of 24 months from the date of first disbursement.	60
IREDA Limited	Rupee Loan	Direct or indirect payment of cost incurred or to be	95	38.16	In twenty-six (26) equal installments.	5.87

Lender	Nature of indebtedness	Purpose	Sanctioned Amount (in ₹ crores)	Amount Outstanding as on December 31, 2013 (in ₹ crores) ⁽¹⁾	Repayment Schedule	Maximum Amount proposed to be repaid from Net Proceeds (in ₹ crores)
		incurred by the Company in relation to the financing of the Projects.				
IREDA Limited	Rupee Loan	For setting up wind energy projects in (a) Poolavadi, Tamil Nadu, (b) Visapur, Maharashtra and (c) Agaswadi, Maharashtra.	450	368.75	In 13 (thirteen) years on a semi-annual basis commencing from June 30, 2012.	29.25
Export Import Bank Limited	Dollar Loan Facility	To meet the Company's post shipment credit requirement for the supply of capital goods and equipment and services on deferred payment basis.	USD 7.45 mn	9.52	In 20 half yearly installments commencing on the date expiry of a period of two years from the date of first advance.	USD 4.52 mn
Asian Development Bank ("ADB")	Rupee Loan Agreement	Direct or indirect payment of ADB eligible costs and/or ADB financing costs due and payable on the utilization date for the Loan.	205	82.35	In 26 equal installments on each of the repayment dates.	12.68
IDBI Bank Limited	Rupee Loan Agreement	Financing the Company's capital expenditure requirements for the Mumbai License Area	400	345	In 47 quarterly installments, commencing from October 1, 2010.	20
IDBI Bank Limited	Rupee Loan Agreement	Financing the Company's capex requirement in Mumbai License Area including refinancing the Lender's existing corporate loan of ₹ 300 crore.	300	251.25	In 37 quarterly installments, commencing from April 1, 2011.	15
HDFC Bank Limited	Rupee Loan Agreement	To finance the Company's capital	600	487.50	In 40 quarterly installments	30

Lender	Nature of indebtedness	Purpose	Sanctioned Amount (in ₹ crores)	Amount Outstanding as on December 31, 2013 (in ₹ crores) ⁽¹⁾	Repayment Schedule	Maximum Amount proposed to be repaid from Net Proceeds (in ₹ crores)
		expenditure requirements in the Mumbai License Area.			commencing from the expiry of 3 months from the date of first disbursement.	
Kotak Mahindra Bank Limited	Rupee Loan Agreement	Funding the Capital Expenditure Requirements in the Mumbai Licensed Area of the Company	88	49.25	In 16 structured quarterly installments as specified in the amortization schedule.	25.50
ICICI Bank Limited	Rupee Loan Agreement	For carrying out projects to develop a few critical technologies in the area of CO ₂ capture & reuse (using algae) for the power sector and advanced electronics for strategic sectors for the first time in the country in collaboration with the Indian Institute of Technology, Madras (IITM) and Mumbai University Institute of Chemical Technology.	29	17.40	In 10 equal half yearly installments commencing from April 1, 2012	5.80

Note 1: As certified by [●], Chartered Accountants (Membership No. [●]), by way of a certificate dated [●]. The management of the Company vide certificate dated [●], 2014, has certified that that these borrowings have been utilised by CGPL for the purposes for which they were availed.

1. Central Bank of India:

By way of an Information Memorandum and a Debenture Trust Deed our Company had issued transferable, secured redeemable, non-convertible debentures of ₹ 600 crores, with Central Bank of India acting as the trustee.

This issuance was secured by way of the following:

- i. Pari passu first charge on all that piece and parcel of land situated at Takve Khurd bearing Sub-division layout plot no. 6 forming part of Gat no. 368 of Survey No.143 A of village Takve Khurd of Taluka Mawal within the Village Limits of Zilla Parishad Pune , Panchayat Samiti Mawal;
- ii. All the fixed and moveable assets at Jojobera Power Plant, Jojobera, Jamshedpur, Jharkhand;
- iii. All the fixed and moveable assets at Belgaum Power Plant, plot Nos. 1234 to 1240 and 1263 to 1297, KIADB Kanbargi Industrial Area, Auto Nagar, Belgaum in the State of Karnataka;
- iv. All the fixed and moveable assets at Trombay Thermal power Station , Mahul Road, Chembur in the State of Maharashtra;
- v. All the fixed and moveable assets at P.O. Khapoli Power House, District Raigad in the State of Maharashtra;
- vi. All the fixed and moveable assets at P.O. Bhivpuri Camp, Taluka Karjat, District Raigad, in the State of Maharashtra; and
- vii. All the fixed assets at P.O. Bhira, Taluka Mangaon, District Raigad, in the State of Maharashtra.

2. Centbank Financial Services Limited:

- a. By way of an Information Memorandum and a Debenture Trust Deed our Company had issued secured, non- convertible, non-cumulative, redeemable, taxable debentures with separately transferable redeemable principal parts of ₹ 350 crores, with Centbank Financial Services Limited acting as the trustee.

This issuance was secured by way of the following:

- i. First ranking charge in favor of the Debenture Trustee by way of hypothecation on all movable properties pertaining to: (1) 50.40 MW Wind Farm Project at Sadodar Village ,Samana Plains, Jamnagar district ,in the state of Gujarat; and (2) 50.40 MW Wind Farm Project at Gadag Plains ,Gadag District, in the state of Karnataka and
- ii. First ranking charge in favor of the Debenture Trustee by way of mortgage on immovable properties at Village Mota Panch Devda, Taluka Kalavad, District Jamnagar, State Gujarat bearing Survey No.230/P1 and 242/1/P1 aggregating to 1.0219 acres
- b. By way of an Information Memorandum and a Debenture Trust Deed our Company issued secured, non- convertible, non-cumulative, redeemable, taxable debentures with separately transferable redeemable principal parts of ₹ 250 crores, with Centbank Financial Services Limited acting as the trustee.

This issuance was secured by way of the following:

- i. First pari passu charge on the immovable properties at Takve Khurd Takve Khurd of Taluka Mawal, District Pune, and sub-district Mawal.
- ii. First pari passu charge on movable fixed assets of the issuer, present and future, except of all wind mill projects, present and future, subject to existing charges created in favour of the existing lenders for securing its working capital facilities.

3. IDFC Limited:

- a. By way of a Rupee Facility Agreement our Company had availed of a Rupee loan from IDFC Limited of ₹ 150 crore.

This issuance was secured by way of the following:

First *pari passu* charge on all the movables fixed assets (excluding land and buildings) of the Company, present and future (except assets of all wind mill projects present and future, where assets of all wind mill projects means movable and immovable assets relating to the projects. Including current and future receivables relating to the wind mill projects.

- b. By way of a Rupee Facility Agreement our Company had availed of a Rupee loan from IDFC Limited of ₹ 450 crore.

This issuance was secured by way of the following:

First charge by way of hypothecation of all the movables of the Company in the State of Maharashtra, present and future, including movable machinery, machinery spares, tools and accessories but excluding vehicles, launches and barges, present and future, subject to prior charges created and/or to be created in favour of the bankers of the Company on the stocks of raw materials, semi-finished and finished goods, consumable stores and such other movables of the Company as may be agreed to by the Lender for securing the borrowings for working capital requirements in the ordinary course of business.

- c. By way of a Rupee Facility Agreement our Company had availed of a Rupee loan from IDFC Limited of ₹ 800 crore.

This issuance was secured by way of the following:

First *pari passu* charge on all the movables fixed assets (excluding land and buildings) of the Company, present and future (except assets of all wind mill projects present and future, where assets of all wind mill projects means movable and immovable assets relating to the projects, including current and future receivables relating to the wind mill projects and the Company's contractual rights under any documents and insurance and proceeds thereof relating to the wind mill projects), including movable machinery, machinery spares, tools and accessories but excluding vehicles, launches and barges, present and future, subject to prior charges created and/or to be created in favour of the bankers of the Company on the stocks of raw materials, semi-finished and finished goods, consumable stores and such other movables of the Company as may be agreed to by the Lender for securing the borrowings for working capital requirements in the ordinary course of business.

4. IREDA Limited:

- a. By way of a Facility Agreement our Company had availed of a Rupee loan from IREDA Limited of ₹ 950 crore.

This issuance was secured by way of the following:

- i. The whole of the Company's tangible movable properties, both present and future.
- ii. All rights, title, interest, benefit and claims under the project documents, insurance contracts, accruals from the project and receivables and including book debts.
- b. By way of a Facility Agreement our Company had availed of a Rupee loan from IREDA Limited of ₹ 450 crore.

This issuance was secured by way of the following:

- i. First charge by way of mortgage of all immovable properties both existing and future pertaining to the projects including Poolavadi, Tamil Nadu and Agaswadi Maharashtra.
- ii. First charge by way of hypothecation of all movable properties both existing and future pertaining to the projects including Poolavadi, Tamil Nadu and Agaswadi Maharashtra.
- iii. Charge on the receivables and book debts of the power generated from the projects subject to *pari passu* charge in favour of the working capital loans of the Company.

5. Export Import Bank Limited:

- a. By way of a Post-Shipment Dollar Loan Agreement our Company had availed of a USD loan from Export Import Bank Limited (“**Exim Bank**”) of USD 7.45 million.

This issuance was secured by way of the following:

- i. An exclusive charge by way of hypothecation over the Company’s receivables generated out of the contract.
- ii. Assignment of the Specific Shipment Insurance Policy in favour of Exim Bank.
- iii. Unconditional and irrevocable Power of Attorney in favour of Exim Bank authorizing Exim Bank to exercise its rights guaranteeing the payments under the contract.

6. Asian Development Bank:

By way of a Rupee Loan Agreement our Company had availed of a Rupee loan from Asian Development Bank of ₹ 205 crore.

This issuance was secured by way of the following:

- i. First priority charge on all pieces of land situated at village Khandke in the Ahmednagar district in the state of Maharashtra aggregating 164.5735 acres.
- ii. The whole of the Company’s tangible movable properties, both present and future.
- iii. All rights, title, interest, benefit and claims under the project documents, insurance contracts, accruals from the project and receivables and including book debts.

7. IDBI Bank Limited:

- a. By way of a Rupee Loan Agreement our Company had availed of a Rupee loan from IDBI Bank Limited of ₹ 400 crore.

This issuance was secured by way of the following:

First pari passu charge on the movable fixed assets (excluding land and buildings) of the Company, present and future, (except assets of wind mill projects present and future, presently situated in Bramanvel village, Dhulia district, Khandke village, Ahmednagar district, Maharashtra, where assets of all wind mill projects means movable and immovable assets relating to the projects, including current and future receivables relating to wind mill projects and the Company’s contractual rights under any documents and insurance and proceeds thereof relating to the wind mill projects), including movable machinery, machinery spares, tools and accessories but excluding vehicles, launches and barges, present and future, subject to prior charges created and/or to be created in favour of the bankers of the Company on the stocks of raw material, semi-finished and finished goods, consumable stores and such other movables of the Company as may be agreed to by the Lender for securing the borrowings for working capital requirements in the ordinary course of business.

- b. By way of a Rupee Loan Agreement our Company had availed of a Rupee loan from IDBI Bank Limited of ₹ 300 crore.

This issuance was secured by way of the following:

Charge on the Company’s movable assets situated in Mumbai License Area (excluding vehicles, launches and barges), present and future, subject to prior charges created or to be created in favour of the Company’s Bankers on the stock of raw materials, receivables and such other movables as may be agreed to by the Lender for securing the Company’s borrowings for working capital requirements, in the ordinary course of business.

8. HDFC Bank Limited:

By way of a Rupee Loan Agreement our Company had availed of a Rupee loan from HDFC Bank Limited of ₹ 600 crore.

This issuance was secured by way of the following:

First pari passu charge on all the movable fixed assets (excluding land and buildings) of the Company, present and future (except assets of the mill projects present and future, where assets of all wind mill projects means movable and immovable assets relating to the projects), including movable machinery but excluding vehicles, launches and barges, present and future, subject to prior charges created/to be created in favour of the Company's bankers on the stocks of raw materials, semi-finished and finished goods, consumable stores and other movables of the Company as may be agreed to by the Lender for securing the borrowings for working capital requirements, in the ordinary course of business.

9. *Kotak Mahindra Bank Limited:*

By way of a Rupee Loan Agreement our Company had availed of a Rupee loan from Kotak Mahindra Bank Limited of ₹ 88 crore.

This issuance was secured by way of the following:

Pari passu charge on all the movables fixed assets (excluding land and buildings) of the Company, present and future (except assets of all wind mill projects present and future, where assets of all wind mill projects means movable and immovable assets relating to the projects, including current and future receivables relating to the wind mill projects and the Company's contractual rights under any documents and insurance and proceeds thereof relating to the wind mill projects), including movable machinery, machinery spares, tools and accessories but excluding vehicles, launches and barges, present and future, subject to prior charges created and/or to be created in favour of the bankers of the Company on the stocks of raw materials, semi-finished and finished goods, consumable stores and such other movables of the Company as may be agreed to by the Lender for securing the borrowings for working capital requirements in the ordinary course of business.

10. *ICICI Bank Limited:*

By way of a Rupee Loan Agreement our Company had availed of a Rupee loan from ICICI Bank Limited of ₹ 29 crore.

We may undertake further borrowings or refinance some or all of the above borrowings. The Net Proceeds for the above stated object may also be utilised for repayment of any such further borrowings and refinancing, subject to a maximum utilisation of ₹ 5,73.42 crores for the stated object.

3. ***Extend facilities to our Subsidiary, CGPL, which shall, in turn, be utilised by CGPL towards part repayment of certain of its outstanding loans***

CGPL, a wholly owned subsidiary of our Company, is incorporated under the laws of India on February 10, 2006 and received the certificate of commencement of business on August 25, 2006. CGPL has its registered office located at 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009, India.

Our Company proposes to extend subordinated debt facilities aggregating up to ₹[•] crore to CGPL, as per the following terms:

Key Terms of the Subordinated Debt Facility

Date of the resolution of the Board approving the loan to CGPL	[•]
Date of the Term Sheet entered into between the Company and CGPL	[•]

Loan Amount	[•]
Rate of Interest	[•]
Tenor	[•]
Moratorium Period	[•]
Interest Payments	[•]
Repayment Schedule	[•]
Purpose of the Loan	[•]
Security	Unsecured
Conversion Option	<p>The Company may at its discretion and after providing two week notice to CGPL call for conversion of any part / whole of the entire balance outstanding loan extended by it to CGPL including any interest accrued thereon into equity shares of CGPL.</p> <p>The equity shares of CGPL that shall be issued on conversion shall be issued at par.</p>

The Company and CGPL shall enter into a loan agreement prior to the sanction of the facility by the Company to CGPL that shall set out the detailed terms and conditions of the said facility and which shall substantially be consistent with the term sheet dated [•]. Please also see section titled “*Risk Factors*” beginning on page XV of this Letter of Offer.

Utilisation of the loan facilities by CGPL

As of December 31, 2013, CGPL has a total outstanding indebtedness of ₹ 12,012.69 crore.

CGPL proposes to utilise an amount of ₹[•] crore, being the loan extended by our Company to CGPL from the Net Proceeds, towards part repayment of certain borrowings availed by CGPL. The following table provides the details of the borrowings availed by the CGPL proposed to be repaid:

Lender	Nature of indebtedness	Purpose	Documentation	Sanctioned Amount (in ₹ crore / USD million)	Amount Outstanding as on December 31, 2013 (in ₹ crore)⁽¹⁾	Repayment Schedule	Amount proposed to be repaid from Net Proceeds (in ₹ crore)
The Export-Import Bank of Korea (KEXIM)	USD loan facility	Financing a portion of the project.	KEXIM loan agreement	500	2,195.80	From the earlier of the first date on which three units have achieved their	[•]

Lender	Nature of indebtedness	Purpose	Documentation	Sanctioned Amount (in ₹ crore / USD million)	Amount Outstanding as on December 31, 2013 (in ₹ crore) ⁽¹⁾	Repayment Schedule	Amount proposed to be repaid from Net Proceeds (in ₹ crore)
						<p>respective Commercial Operation Dates and January 31, 2012, 28 equal consecutive installments payable every six months.</p> <p>Any portion remaining outstanding on the maturity date shall be repaid on that date.</p>	
International Finance Corporation	USD loan facility	To finance project costs	IFC loan agreement	450	2,047.92	Installments payable every six months.	[•]
Asian Development Bank	USD loan facility	To finance project costs	ADB loan agreement	Tranche 1 – 200 Tranche 2 – 250	1,985.78	<p>On July 15, 2012 USD 3,333,334.</p> <p>On January 15, 2013 USD 5,000,001.</p> <p>From July 15, 2013 till July 15, 2026 USD 8,333,335 every six months.</p> <p>On January 15, 2027 USD 8,333,315.</p> <p>On July 15, 2027 USD 8,333,305.</p>	[•]
Korea Export Insurance Corporation (through BNP Paribas, as facility	USD loan facility	Financing a portion of the project.	KEIC covered facility loan agreement	26655052.26	1,464.59	From the earlier of the first date on which three units have achieved their respective Commercial Operation Dates	[•]

Lender	Nature of indebtedness	Purpose	Documentation	Sanctioned Amount (in ₹ crore / USD million)	Amount Outstanding as on December 31, 2013 (in ₹ crore) ⁽¹⁾	Repayment Schedule	Amount proposed to be repaid from Net Proceeds (in ₹ crore)
agent)						and January 31, 2012, 28 equal consecutive installments payable every six months. Any portion remaining outstanding on the maturity date shall be repaid on that date.	
State Bank of India, Indian Infrastructure Finance Company Limited, Housing & Urban Development Corporation Limited, Oriental Bank of Commerce, State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Travancore and Vijaya Bank	Rupee loan facility	To assist CGPL's obligation with respect to the construction and development of the project.	Rupee facility loan agreement	5850	4,318.64	With respect to Unit I – 1.25 % of the total disbursed amount payable every quarter from July 15, 2011 till January 15, 2021. 51.25% of amount disbursed to be repaid on April 15, 2021. With respect to Unit II – 1.25 % of the total disbursed amount payable every quarter from October 15, 2011 till April 15, 2021. 51.25% of amount disbursed to be repaid on July 15, 2021. With respect to Unit III – 1.25 % of the total	[•]

Lender	Nature of indebtedness	Purpose	Documentation	Sanctioned Amount (in ₹ crore / USD million)	Amount Outstanding as on December 31, 2013 (in ₹ crore) ⁽¹⁾	Repayment Schedule	Amount proposed to be repaid from Net Proceeds (in ₹ crore)
						<p>disbursed amount payable every quarter from April 15, 2012 till October 15, 2021. 51.25% of amount disbursed to be repaid on January 15, 2022.</p> <p>With respect to Unit IV – 1.25 % of the total disbursed amount payable every quarter from April 15, 2012 till January 15, 2022. 50% of amount disbursed to be repaid on April 15, 2022.</p> <p>With respect to Unit V – 1.25 % of the total disbursed amount payable every quarter from October 15, 2012 till April 15, 2022. 51.25% of amount disbursed to be repaid on July 15, 2022.</p>	

Note 1: As certified by [●], Chartered Accountants (Membership No. [●]), by way of a certificate dated [●]. The management of the Company vide certificate dated [●], 2014, has certified that that these borrowings have been utilised by CGPL for the purposes for which they were availed

CGPL may undertake further borrowings or refinance some or all of the above borrowings. The loan extended to CGPL by our Company from the Net Proceeds may also be utilised for repayment of any such further borrowings and refinancing, for the stated purpose of part repayment of debt by CGPL.

4. General Corporate Purposes

The Net Proceeds will first be utilised towards the objects mentioned above. The balance portion of the Net Proceeds is proposed to be utilised for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with the SEBI Regulations.

Our Company, in accordance with the policies formulated by our Board, will have flexibility in applying the remaining Net Proceeds, after utilisation of the Net Proceeds for the objects mentioned above, for general corporate purposes, subject to the above mentioned limit, including, amongst other things, (a) brand building and other marketing expenses; (b) acquiring fixed assets including land, building, furniture and fixtures, and vehicles; (c) meeting any expenses of our Company and our Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, repairs and maintenance, and the payment of taxes and duties; (d) meeting expenses incurred in the ordinary course of business; (e) meeting working capital requirements; (f) funding inorganic or other growth opportunities; (g) infusion of funds in our Subsidiaries, by way of equity or debt; and (h) any other purpose as permissible and as approved by our Board or a duly appointed committee from time to time.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board based on the permissible amount actually available under the head “General Corporate Purposes” and our business requirements, from time to time.

Bridge Financing Facilities

Our Company has not availed any bridge loans from any bank/financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the objects described above, our Company intends to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, corporates and other premium / interest bearing securities. Our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

Monitoring Utilisation of Funds from the Issue

Our Company has appointed [●] as the Monitoring Agency in relation to the Issue. Our Board will monitor the utilisation of the Net Proceeds. Our Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Clause 49 of the Listing Agreement, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to our Board.

In accordance with Clause 43A of the Listing Agreement, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement including material deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee. In the event that the Monitoring Agency points out any deviation in the use of Net Proceeds from the objects of the Issue as stated above, or has given any other reservations with respect to the end use of Net Proceeds, our Company shall intimate the same to the Stock Exchanges without delay.

Other confirmations

Except as stated above, no part of the proceeds from the Issue will be paid by our Company as consideration to its Promoters, Directors, Group Companies or key managerial personnel, except in the normal course of its business.

SECTION IV - STATEMENT OF TAX BENEFITS

A. Under the Income Tax Act, 1961 (“the Income Tax Act”)

I. Special tax benefits available to the Company

There are no special tax benefits available under the Income Tax Act to the Company.

II. General tax benefits available to the Company

1. As per section 10(34) of the Income Tax Act, any income by way of dividends referred to in section 115-O received on the shares of any domestic company is exempt from tax in the hands of the recipient Company. Such dividend is to be excluded while computing Minimum Alternate Tax (“MAT”) liability.

Further, in the context of the dividend payable by the Company to its shareholders, by virtue of section 115-O, the Company would be liable to pay Dividend Distribution Tax (“DDT”) @ 15% (plus applicable surcharge and cess) on the total amount declared, distributed or paid as dividend. In calculating the amount of dividend on which DDT is payable, dividend shall be reduced by dividend received from its subsidiary, subject to fulfillment of certain conditions.

2. As per section 115BBD of the Income Tax Act, dividend income received by an Indian company from a specified foreign company i.e. in which the Indian company holds twenty-six per cent or more in nominal value of the equity share capital, will be taxable @ 15% on gross basis (plus applicable surcharge and cess). This benefit is available in respect of dividends received on or before 31 March 2014.
3. As per section 10(34A) of the Income Tax Act, any income arising to the Company being a shareholder on account of buy back of shares (not being shares listed on a recognized stock exchange in India) referred in section 115QA is exempt from tax. Such income is to be excluded while computing MAT liability.
4. As per section 10(35) of the Income Tax Act, the following income will be exempt in the hands of the Company:
 - a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - b. Income received in respect of units from the Administrator of the specified undertaking; or
 - c. Income received in respect of units from the specified company:

Such income is to be excluded while computing MAT liability.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

5. As per section 10(38) of the Income Tax Act, long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund (as defined in the Act) where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax, will be exempt in the hands of the Company.
6. In terms of section 32 of the Income Tax Act, the Company is entitled to claim deduction for depreciation at the rates prescribed under the Income-tax Rules, 1962, subject to certain conditions.

Unabsorbed depreciation, if any, for an assessment year can be carried forward indefinitely and set off against any sources of income in the same year or any subsequent assessment years as per section 32(2) of the Income Tax Act subject to provisions of section 72(2) and 73(3) of the Income Tax Act.

7. In terms of section 32AC of the Income Tax Act, subject to compliance of conditions laid therein, the Company may be eligible to claim deduction at the rate of fifteen percent of the actual cost of the new assets acquired and installed after 31 March 2013 but before 1st April 2015, if the aggregate amount of actual cost of such new assets exceeds one hundred crore rupees and fifteen percent of the actual cost of the

new assets acquired and installed after 31 March 2013 but before 1st April 2015, as reduced by the amount of deduction claimed for financial year 2013-14.

8. In terms of section 35D of the Income Tax Act, the Company will be entitled to a deduction equal to one-fifth of the preliminary expenditure of the nature specified in the said section by way of amortization over a period of five successive years, subject to stipulated limits.
9. Under section 54EC of the Income Tax Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Income Tax Act) arising on the transfer of a long term capital asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset” (as defined in the Act). The investment in the long term specified assets is eligible for such deduction to the extent of Rs.50,00,000 during any financial year. However, if the Company transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.
10. In terms of section 80IA(iv), subject to compliance of conditions laid down therein, the Company may be eligible to claim deduction for ten consecutive assessment years, from the total income of an assessee, of an amount equal to 100% of the profits derived from an undertaking set up in any part of India for the generation or generation and distribution of power, which begins to generate power, during the period between April 1, 1993 and March 31, 2014.
11. In terms of section 111A of the Income Tax Act, any short term capital gain arising to the Company from the transfer of a short term capital asset being an equity share in a company or unit of an equity oriented fund on or after 1st day of October 2004, where such transaction is chargeable to securities transaction tax, would be subject to tax @ 15% (plus applicable surcharge and cess).

As per section 70 read with section 74 of the Income Tax Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed. The brought forward short term capital loss can be set off against future capital gains.

12. As per section 112 of the Act, taxable long-term capital gains arising (on which securities transaction tax is not paid), on sale of listed securities or units or zero coupon bonds, will be charged to tax @ 20% (plus applicable surcharge and cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or @ 10% (plus applicable surcharge and cess) without indexation benefits, whichever is lower.

As per section 70 read with section 74 of the Income Tax Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against future long term capital gain. The brought forward long term capital loss can be set off only against future long term capital gains.

13. Any loss incurred by the Company under the head “Profit and Gains from Business or Profession”, can be set off against any other income (other than speculation income) of the same year.

As per section 72 of the Income Tax Act, any business loss can be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed. The brought forward business loss can be set off only against future business income (other than speculation income).

14. As per section 115JAA(1A) of the Income Tax Act, credit is allowed in respect of any MAT paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit

to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. The MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT payable and the tax payable as per the normal provisions of the Act for that assessment year. The MAT credit is allowed to be carried forward for 10 assessment years immediately succeeding the assessment year in which tax credit becomes allowable.

15. The Company is entitled to a deduction under section 80G of the Income Tax Act either for whole of the sum paid as donation to specified funds or institution or 50% of sums paid, subject to limits and conditions as provided in section 80G.

III. General tax benefits available to Resident Shareholders

1. The tax benefits / implications referred to in paragraphs 1, 5, 8, 9 and 10 under the heading “General tax benefits to the Company” will equally apply to the Resident Shareholders. The reference to MAT liability as indicated in the said paragraphs will apply only to shareholders qualifying as company as defined in the Income Tax Act.
2. In a situation where the shareholder transfers the shares of the Company, which are held as ‘long-term capital assets’ and such transaction is not covered by the provisions of section 10(38) of the Income Tax Act as referred to earlier, the shareholder can consider availing of the benefit as provided in section 54F of the Income Tax Act. Shareholders being individuals or Hindu Undivided Family (HUF) can consider the conditions so stated in section 54F and examine the availability of the benefit based on their individual tax position.

IV. General tax benefits available to Non-Resident Shareholders (Other than FIIs)

1. The tax benefits / implications referred to in paragraphs 5, 8, 9 and 10 under the heading “General tax benefits to the Company” will equally apply to the Non-Resident Shareholders.
2. As per section 10(34) of the Income Tax Act, any income by way of dividends referred to in section 115-O received on the shares of any domestic company is exempt from tax in the hands of the Shareholder.
3. As per first proviso to section 48 of the Income Tax Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Indexation benefit is not available in such a case.
4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Income Tax Act, the provisions of the Income Tax Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.
5. As section 90(4) of the Income Tax Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Income Tax Act, the non-resident shall be required to provide such other information, as has been notified.

V. Special tax benefits available to Non-Resident Indians

1. As per section 115C(e) of the Income Tax Act, the term “non-resident Indian” means an individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

2. As per section 115E of the Income Tax Act, shareholders in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the Income Tax Act) will be subject to tax @ 10% (plus applicable surcharge and cess), without any indexation benefit.
3. As per section 115F of the Income Tax Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of long term capital asset being shares of the Company, which were acquired, or purchased with or subscribed to in, convertible foreign exchange, will not be chargeable to tax if the entire net consideration received on such transfer is invested within six months in any specified asset or savings certificates referred to in section 10(4B) of the Income Tax Act. Shareholders in this category can consider the conditions so stated in section 115F of the Income Tax Act and examine the availability of the benefit based on their individual tax position.
4. As per section 115I of the Income Tax Act, a non-resident Indian may elect not to be governed by the provisions of “Chapter XII-A – Special Provisions Relating to Certain Incomes of Non-Residents” for any assessment year by furnishing a declaration along with his return of income for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

VI. Benefits available to Foreign Institutional Investors (‘FIIs’) / Foreign Portfolio Investors (‘FPIs’)

Special Tax Benefits

1. As per section 115AD of the Income Tax Act, FIIs will be taxed on the capital gains that are not exempt under the provision of section 10(38) of the Income Tax Act, at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30
Short term capital gains referred in section 111A	15

The above tax rates have to be increased by the applicable surcharge and cess. Further, for the purposes of Section 115AD, FPIs would get similar treatment as available to FIIs.

2. As per section 196D(2) of the Income Tax Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
3. In case of long term capital gains, (in cases not covered under section 10(38) of the Income Tax Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

General tax benefits

4. The tax benefits / implications referred to in paragraphs 5, 8, 9 and 10 under the heading “General tax benefits to the Company” will equally apply to FIIs/FPIs.
5. The tax benefits / implications referred to in paragraphs 4 and 5 under the heading “General tax benefits to Non-Resident Shareholders (Other than FIIs)” will equally apply to FIIs/FPIs.
6. As per section 10(34) of the Income Tax Act, any income by way of dividends referred to in section 115-O received on the shares of any domestic company is exempt from tax in the hands of the FIIs/FPIs.

VII. Special tax benefits available to Mutual Funds

As per section 10(23D) of the Income Tax Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will

be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

B. General benefits available under the Wealth Tax Act, 1957

Asset as defined under section 2(ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

Notes:

- i. The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
- ii. This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income tax consequences that apply to them.

SECTION V - OUR MANAGEMENT

As of the date of this Letter of Offer, we have 11 Directors on our Board. As per our Articles of Association, the number of Directors on our Board cannot exceed 15.

The following table sets forth certain details regarding the Board of Directors as on the date of this Letter of Offer.

Particulars	Age (years)	Other directorships
Mr. Cyrus P. Mistry Designation: Non-Independent Non-Executive Chairman DIN 00010178 Occupation: Company Director Nationality: Irish	45	Indian Companies Tata Sons Limited Tata Consultancy Services Limited Tata Steel Limited Tata Motors Limited Tata Chemicals Limited Tata Global Beverages Limited The Indian Hotels Company Limited Tata Industries Limited Tata Teleservices Limited Sterling Investment Corporation Private Limited Cyrus Investments Private Limited Imperial College India Foundation Foreign Companies Tata Limited Jaguar Land Rover Automotive Plc Tata America International Corporation Tata AG, Zug Tata Enterprises (Overseas) AG, Zug Tata International AG, Zug
Mr. R. Gopalakrishnan Designation: Non-Independent Non-Executive Director DIN 00027858 Occupation: Company Director Nationality: Indian	68	Indian Companies Tata Chemicals Limited Rallis India Limited Azko Nobel India Limited Castrol India Limited Tata Autocomp Systems Limited Tata Technologies Limited Advinus Therapeutics Limited Metahelix Life Sciences Limited Dhaanya Seeds Limited ABP Private Limited Foreign Companies IMACID S.A. Trust Energy Resources Pte. Limited Hemas Holdings Plc
Dr. Homiar S. Vachha Designation: Independent Director	71	Indian Companies Finolex Cables Limited

Particulars	Age (years)	Other directorships
DIN 00016610 Occupation: Company Director Nationality: Indian		Tata International Limited Tata Ceramics Limited Af-Taab Investment Company Limited Bachi Shoes (India) Private Limited Foreign Companies Tata Africa Holdings (SA) (Pty.) Limited
Mr. Nawshir H. Mirza Designation: Independent Director DIN 00044816 Occupation: Company Director Nationality: Indian	63	Indian Companies Thermax Limited Foodworld Supermarkets Limited Coastal Gujarat Power Limited Tata Power Delhi Distribution Limited Health & Glow Retailing Private Limited Foreign Companies <i>N.A.</i>
Mr. Deepak M. Satwalekar Designation: Independent Director DIN 00009627 Occupation: Company Director Nationality: Indian	65	Indian Companies Asian Paints Limited Piramal Enterprises Limited IL&FS Transportation Networks Limited Franklin Templeton Asset Management (India) Private Limited Germinait Solutions Private Limited India Mortgage Guarantee Corporation Private Limited Foreign Companies Indian Institute for Human Settlements Prabhavati Memorial Foundation Teach to Lead Gyan Prakash Foundation Isha Education Trust Infosys Science Foundation
Mr. Piyush G. Mankad Designation: Independent Director DIN 00005001 Occupation: Company Director Nationality: Indian	72	Indian Companies Heidelberg Cement India Limited Tata Elxsi Limited Mahindra & Mahindra Financial Services Limited ICRA Limited Noida Toll Bridge Company Limited Hindustan Media Ventures Limited Tata International Limited DSP-ML Fund Managers Limited Tata South East Asia Limited Foreign Companies <i>N.A.</i>

Particulars	Age (years)	Other directorships
<p>Mr. Ashok K. Basu</p> <p>Designation: Independent Director</p> <p>DIN 01411191</p> <p>Occupation: Company Director</p> <p>Nationality: Indian</p>	71	<p>Indian Companies</p> <p>Tata Metaliks Limited Tin Plate Company of India Limited Visa Resources India Limited JSW Bengal Steel Limited Visa Power Limited Maithon Power Limited Tata Power Delhi Distribution Limited Tata Metaliks Kubota Pipes Limited The Energy and Resources Institute</p> <p>Foreign Companies N.A.</p>
<p>Mr. Thomas Mathew T.</p> <p>Designation: Independent Director</p> <p>DIN 00130282</p> <p>Occupation: Company Director</p> <p>Nationality: Indian</p>	60	<p>Indian Companies</p> <p>Voltas Limited MCX Stock Exchange Limited Management Development Institute</p> <p>Foreign Companies N.A.</p>
<p>Ms. Vishakha Mulye</p> <p>Designation: Independent Director</p> <p>DIN 00203578</p> <p>Occupation: Company Executive</p> <p>Nationality: Indian</p>	45	<p>Indian Companies</p> <p>3i Infotech Limited ICICI Venture Funds Management Company Limited ICICI Securities Primary Dealership Limited Indian Express Newspapers (Mumbai) Limited Star Health and Allied Insurance Company Limited Karvy Stock Broking Limited</p> <p>Foreign Companies N.A.</p>
<p>Mr. Anil Sardana</p> <p>Designation: Managing Director</p> <p>DIN 00006867</p> <p>Occupation: Company Executive</p> <p>Term: February 1, 2011 to January 31, 2016</p> <p>Nationality: Indian</p>	54	<p>Indian Companies</p> <p>Maithon Power Limited Tata Power Delhi Distribution Limited Coastal Gujarat Power Limited Af-Taab Investment Company Limited</p> <p>Foreign Companies</p> <p>Bhira Investments Limited Bhivpuri Investments Limited Khopoli Investments Limited Cennergi (Pty) Limited Tata Power International Pte. Limited Adjaristsqali Netherlands B.V.</p>
<p>Mr. S. Padmanabhan</p>	55	<p>Indian Companies</p>

Particulars	Age (years)	Other directorships
Designation: Executive Director DIN 00306299 Occupation: Company Executive Term: February 6, 2013 to February 5, 2018 Nationality: Indian		Tata Power Trading Company Limited Industrial Energy Limited Tata Power Delhi Distribution Limited Chemical Terminal Trombay Limited. Powerlinks Transmission Limited Maithon Power Limited The Associated Building Company Limited Tata Power Jamshedpur Distribution Limited Tata Consulting Engineers Limited Infiniti Retail Limited Tata Power Community Development Trust Mannat Foundation Foreign Companies Trust Energy Resources Pte. Limited Energy Eastern Pte. Limited

Further, none of our Directors were directors on the board of listed companies that have been delisted from the Stock Exchanges.

None of our Directors hold any current and past directorship(s) during the preceeding five years in listed companies whose shares have been or were suspended from being traded on BSE or NSE

Relationship between Directors

None of our Company's Directors are related to each other.

Profile of Directors

Mr. Cyrus P. Mistry

Mr. Mistry is a graduate of Civil Engineering from Imperial College, UK (1990) and has a M.Sc. in Management from London Business School (1997). Mr. Mistry was associated with the Company as Director from 1996 to 2006. He joined the Board of Tata Sons Limited in 2006 and was appointed Deputy Chairman in November 2011. He is also on the Chairman of several other Tata Companies like Tata Steel Limited, Tata Motors Limited, Tata Consultancy Services Limited, Tata Chemicals Limited, The Indian Hotels Company Limited and Tata Teleservices Limited.

Mr. R. Gopalakrishnan

Mr. Gopalakrishnan is a graduate in Physics from Calcutta University and an Engineer from IIT, Kharagpur. He is a Director of Tata Sons Limited, Chairman of Rallis India Limited, Vice Chairman of Tata Chemicals Limited and a Director of several other companies like Azko Nobel India Limited, Castrol India Limited etc. Prior to joining the Tata Group in 1998, he was with Hindustan Lever for 31 years, where he rose from being a Management Trainee to being Vice Chairman of Hindustan Lever Limited.

Dr. Homiar S. Vachha

Dr. Vachha has a post-graduate degree and a doctorate in Economics from the University of Bombay (Gold medalist in Industrial Economics). He was the General Manager of ICICI Limited in a career spanning over 25 years. He was in charge of Market Research and Industry Studies Department as also in charge of the Economics Department. He was the ICICI nominee director on the Board of several large companies. He was appointed as Nominee Director on the Board of the erstwhile The Andhra Valley Power Supply Company

Limited in 1993. On ceasing to be such nominee director, he was re-appointed on the Board of that Company and continued as Director till its amalgamation with the Company in 2000. He has been subsequently appointed on the Board of the Company in 2001. He is also on the board of other companies.

Mr. Nawshir H. Mirza

Mr. Mirza is a Fellow of the Institute of Chartered Accountants of India and was a Senior Partner of Ernst & Young. He is an Advisor to Jardine Matheson & Co. Limited, Hong Kong. He is an independent Director on the Boards of several companies.

Mr. Deepak M. Satwalekar

Mr. Satwalekar was the Managing Director and CEO of HDFC Standard Life Insurance Company Limited since November 2000 and prior to this, he was the Managing Director of HDFC Limited from 1993 - 2000. Mr. Satwalekar obtained a Bachelors Degree in Technology from the Indian Institute of Technology, Bombay and a Masters Degree in Business Administration from The American University, Washington DC.

Mr. Piyush G. Mankad

Mr. Mankad is a retired civil servant with a distinguished career of over 40 years in the Indian Administration Service, which he joined in 1964, topping his batch. He was educated at Delhi University and later at Cambridge, UK, where he obtained a Post Graduate Diploma in Development Studies, with distinction. Some of the important positions that he has held include Counsellor (Economic) in the Indian Embassy, Tokyo; Controller of Capital Issues, Ministry of Finance; Finance Secretary, Government of India and Executive Director for India and four other countries and Board Member, Asian Development Bank, Manila, which was his last assignment till July 2004. He is a member of the Board of several companies including Tata International Limited, Tata Elxsi Limited, and Mahindra and Mahindra Financial Services Limited.

Mr. Ashok K. Basu

Mr. Basu is the former Secretary to the Government of India, Ministry of Steel, Secretary - Power and Chairman of Central Electricity Regulatory Commission (CERC). Mr. Basu is also on the Boards of other Tata companies' viz. Tata Metaliks Limited and The Tinplate Company of India Limited and was also Member (Industry and Infrastructure) of the West Bengal Planning Commission.

Mr. Thomas Mathew T.

Mr. Thomas Mathew T. is a postgraduate in Economics and holds a Bachelor's Degree in Law. He also holds a postgraduate diploma in Management from the International Institute of Advanced Marketing. He was the Managing Director of Life Insurance Corporation of India till his retirement in 2013. He is the Nominee Director of Life Insurance Corporation of India on our Board.

Ms. Vishakha Mulye

Ms. Mulye holds a Bachelor's Degree in Commerce and is a Chartered Accountant. She joined the ICICI Group in 1993 and has vast experience in the areas of strategy, treasury and markets, proprietary equity investing and management of long-term equity investments, structured finance and corporate and project finance. In 2009, she assumed leadership of ICICI Venture Funds Management Company Limited as its Managing Director and CEO. Mr. Mulye is also a member of the Aspen Institute for 'India Leadership Initiative'. She was selected as 'Young Global Leader' for the year 2007 by World Economic Forum.

Mr. Anil Sardana

Mr. Sardana was the Managing Director of Tata Teleservices Limited for over 3 years from 2007 to 2011 and additionally on Tata Teleservices (Maharashtra) Limited for 7 months from 2010-11. An Electrical Engineer from Delhi College of Engineering, a Cost Accountant (ICWAI) and a Post Graduate Diploma in Management from Delhi, Mr. Sardana brings with him over three decades of proven expertise in the power sector and has worked with companies like NDPL (a subsidiary of Tata Power), NTPC and BSES (prior to it becoming an ADAG group company). Earlier, Mr. Sardana served as the Executive Director (Business Development & Strategy) for Tata Power from 1st March 2007 to 3rd August 2007 and continued to be on its Board till 1st July

2008.

Mr. S. Padmanabhan

Mr. Padmanabhan is a gold medalist in Electronics and Communication Engineering from PSG College of Technology, Coimbatore, Tamil Nadu as well as a Glaxo gold medalist for the Marketing Stream from the Indian Institute of Management, Bangalore. Prior to joining the Company, he was the Executive Director and Head Global Human Resources of Tata Consultancy Services Limited.

Borrowing Powers of our Board of Directors

Pursuant to a resolution dated August 24, 2011, passed by the shareholders of our Company the Annual General Meeting of the Company our Board has been authorised to borrow sums of money for and on behalf of our Company, provided that the money so borrowed (apart from temporary loans obtained from time to time by our Company in the ordinary course of business) shall not exceed ₹ 20,000 crore over the aggregate of the paid-up share capital of the company and its free reserves on such terms and conditions as the board may deem fit.

Pursuant to various financing or stockholding arrangements or understandings entered into by our Company, the following persons have been nominated as directors on our Board:

Sr. No.	Name of Director	Nominating Entity
1.	Mr. Thomas Mathew T.	Life Insurance Corporation of India

No persons have been nominated as senior management employees, pursuant to various financing or stockholding arrangements or understandings entered into by our Company, the following persons have been nominated as senior management employees:

Managing Director

The significant terms of Mr. Anil Sardana's employment as the Managing Director, as per the agreement with our Company dated August 25, 2011, are as follows:

Tenure of Appointment	February 1, 2011 to January 31, 2016
Annual Remuneration:	Basic Salary upto a maximum of ₹ 6,50,000 per month
Perquisites	As may be determined by the Board from time to time.
Commission	At the discretion of the Board within the limits stipulated under the Act.

The significant terms of Mr. S. Padmanabhan's employment as Executive Director, as per the agreement with our Company dated August 16, 2013, are as follows:

Tenure of Appointment	February 6, 2013 to February 5, 2018.
Annual Remuneration:	Basic Salary upto a maximum of ₹ 6,00,000 p.m.
Perquisites	As may be determined by the Board from time to time.
Commission	At the discretion of the Board within the limits stipulated under the Act.

No service contracts have been entered into by the Company with its directors,

Compensation to Independent Directors

All the Non-Executive Directors of our Company are paid sitting fees of ₹ 20,000 for every Board, Executive Committee of the Board, Audit Committee, and Nominations & Remuneration Committee meetings attended by them. The fees paid to other Committee meetings is ₹ 5,000.

SECTION VI – FINANCIAL INFORMATION

Sr. No.	Particulars	Page Nos.
1	Audited Consolidated Financial Statements as at and for Fiscal Year 2013	[•]
2	Audited Standalone Financial Statements as at and for Fiscal Year 2013	[•]
3	September Audited Interim Unconsolidated Condensed Financial Statements	[•]
4	December Audited Interim Unconsolidated Condensed Financial Statements	[•]

STOCK MARKET DATA FOR EQUITY SHARES

[To be updated closer to finalization of the Letter of Offer]

The Equity Shares of our Company are listed on the BSE and NSE. We have received in-principle approvals for listing of the Rights Shares to be issued pursuant to this Issue from the BSE and the NSE by letters dated [●] and [●], respectively.

For the purpose of this section:

- Year is a calendar year
- Average price is the average of the daily closing prices of the Equity Shares of our Company for the year, or the month, as the case may be
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares of our Company for the year, or the month, as the case may be
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

The high, low and average market prices of the Equity Shares of our Company recorded on the BSE and the NSE during the preceding three years and the number of Equity Shares traded on the days of the high and low prices were recorded are as stated below:

BSE							
Year	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
2013	January 3, 2013	112.50	1,98,322	August 6, 2013	68.25	26,24,235	89.00
2012	February 21, 2012	121.50	12,96,794	April 10, 2012	83.00	6,61,488	101.45
2011	January 6, 2011	1,413.00 ⁽¹⁾	53,139	December 20, 2011	80.65	3,60,241	Not meaningful ⁽¹⁾

Source: www.bseindia.com

NSE							
Year	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
2013	January 3, 2013	112.55	16,07,008	August 6, 2013	68.10	1,51,48,881	89.03
2012	February 21, 2012	121.20	76,08,262	October 5, 2012	84.60	80,76,159	101.52
2011	January 6, 2011	1411.00 ⁽¹⁾	2,66,489	December 20, 2011	80.15	36,11,790	Not meaningful ⁽¹⁾

Source: www.nseindia.com

Note 1: Equity shares of the company were subdivided from a face value of ₹10 each to a face value of ₹1 each vide a resolution of the Board of Directors of the Company dated May 19, 2011 and approved by the shareholders at the AGM dated August 24, 2011

Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of this Draft Letter of Offer are as stated below:

BSE							
Month	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
February, 2014	February 24, 2014	84.50	18,34,046	February 4, 2014	71.50	2,48,634	76.60
January, 2014	January 1, 2014	91.80	10,35,813	January 30, 2014	71.45	2,84,763	78.55
December, 2013	December 9, 2013	92.45	7,46,249	December 3, 2013	79.10	3,96,773	87.38
November 2013	November 6, 2013	85.80	1,49,634	November 22, 2013	76.60	5,21,196	79.87
October 2013	October 9, 2013	86.00	5,32,553	October 1, 2013	77.60	4,18,124	81.13
September 2013	September 20, 2013	85.00	6,99,463	September 6, 2013	69.80	10,71,902	77.31

Source: www.bseindia.com

NSE							
Month	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
February, 2014	February 24, 2014	84.35	1,39,41,908	February 4, 2014	71.40	19,10,549	76.60
January, 2014	January 1, 2014	91.95	43,35,490	January 30, 2014	71.40	23,31,823	78.51
December, 2013	December 9, 2013	92.60	50,76,705	December 3, 2013	79.10	34,88,514	87.46
November 2013	November 6, 2013	85.80	36,15,640	November 22, 2013	76.55	20,22,506	79.85
October 2013	October 10, 2013	86.00	35,26,230	October 1, 2013	77.50	43,49,910	81.16
September 2013	September 20, 2013	85.00	49,50,652	September 6, 2013	69.70	96,65,114	77.28

Source: www.nseindia.com

Week end prices of Equity Shares of our Company along with the highest and lowest closing prices on the Stock Exchanges for the last four weeks preceding the date of filing of this Draft Letter of Offer is as stated below:

[To be updated closer to the date of filing the Letter of Offer]

BSE			
For the week ended on	Closing Price (₹)	High (₹)	Low (₹)
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

Source: www.bseindia.com

NSE			
For the week ended on	Closing Price (₹)	High (₹)	Low (₹)
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

Source: www.nseindia.com

The closing market price of the Equity Shares of our Company as on one day prior to the date of the Letter of Offer was ₹ [•] on the BSE and ₹ [•] on the NSE.

The Issue Price of ₹60 has been arrived at in consultation between our Company and the Lead Managers.

MATERIAL DEVELOPMENTS

1. The CERC has passed an order on February 21, 2014 with respect to our Mundra operations (“**CERC Order**”). By way of background, CGPL had filed a petition (Petition No. 159/MP/2012) before the CERC in July, 2012. CGPL had entered into certain power purchase arrangements to sell electricity generated to Gujarat, Maharashtra, Haryana, Punjab and Rajasthan (collectively, the “**Procurers**”). However, due to import of coal becoming expensive on account of the Indonesian government levying higher royalty and income tax in 2012, the financial viability of the Mundra UMPP was in jeopardy, due to which, CGPL filed the said petition with the CERC.

The CERC Order provides for relief to CGPL in the form of compensatory tariff, in addition to the tariff agreed to in the power purchase agreements, effective from April 01, 2013 till the hardship on account of Indonesian regulations persists. This compensatory tariff is to be billed on monthly basis using coal prices at the beginning of each year and to be reconciled quarterly. True up of the provisional compensatory tariff is to be done at the end of each financial year based on audited statements. The provisional lump sum compensation for FY 2013 will be payable to CGPL at ₹ 329.45 crores to be paid by the Procurers in 36 equal installments from the date of the CERC Order, i.e. February 21, 2014, with carrying cost for delay in payment.

As per the CERC Order, the technical parameters which are to be maintained by CGPL are: (i) station heat rate: 2,050 Kcal/kWh (without margin), (ii) aux power consumption: 4.75% and (iii) transportation loss: 0.20%. Further, coal prices will be determined as per HPB marker prices adjusted for Gross Calorific Value.

The CERC Order further provides that any excess realization towards third party sale of power above the target availability of 80% (after adjusting for energy charges and compensatory tariff) shall be shared in the ratio of 60:40 between CGPL and the Procurers, if the Procurers agree to this in writing.

The CERC Order provides, in addition, that the sharing of actual incremental profit from coal mining operations in Indonesia is to be calculated on total incremental revenue net of incremental mining cost, taxes and royalty, in proportion to the coal used for the generation of contracted power as per the power purchase agreements.

The CERC Order provides further that CGPL shall contribute 1% of the ROE, based on the equity investment of the contracted capacity, invested by CGPL into the UMPP as on the scheduled commercial operation dates, which will go towards reduction of the compensatory tariff. This position will be reviewed after three years from the date of the order, i.e. February 21, 2014.

The CERC Order suggests that CGPL explore the cost economics of blending of 80% of melawan coal and 20% of eco coal to see if this results in a reduced impact of compensatory tariff.

The CERC Order further provides that CGPL and the Procurers may jointly approach the RBI, Ministry of Power and Ministry of Finance for relief in interest rates and restructuring of loans to make the project viable and reduce hardship on capacity charges, and further that CGPL shall approach its lenders for reduction of the lending rate and extension of the moratorium period.

The CERC Order provides finally that CGPL and the Procurers shall jointly pursue all possible options for reduction of taxes and duties to be passed on to consumers in reducing compensatory tariff; that the ceiling on compensatory tariff shall be mutually decided between CGPL and the Procurers; and that the compensatory tariff shall be reviewed after 3 years unless withdrawn earlier

2. On January 31, 2014, Tata Power announced that it signed an agreement for the sale of its 30% interest in Arutmin and associated companies in coal trading and infrastructure. The aggregate consideration for Tata Power’s 30% interest is approximately U.S.\$500 million, subject to certain closing adjustments. The sale is subject to certain conditions and restructuring

3. Other Developments

Information as required as per sub-item B of item (X) of Part E of the SEBI ICDR Regulations and in accordance with the Ministry of Finance, GoI, Circular no.F.2/5/SE/76 dated February 5, 1977, amended on March, 1977.

Our working results, on a standalone basis for the period April 1, 2013 to January 31, 2014:

Sr. No	Particulars	Amount (₹in crore)
A (i)	Sales / turnover	[●]
A (ii)	Other income	[●]
B	Estimated gross profit / loss (excluding depreciation and taxes)	[●]
C (i)	Provision for depreciation	[●]
C (ii)	Provision for Taxes	[●]
D	Estimated net profit / loss	[●]

Confirmation from Board of Directors

In the opinion of the Board of Directors of the Company, there have not arisen, since the date of the last audited/limited review financial statements included in this Letter of Offer, any circumstance that materially and adversely affect or is likely to affect its business or profitability or the value of the assets or the ability to pay Company's liabilities. There is no subsequent development after the date of the last Auditor's Report, except as stated in the "*Risk Factors*" on page XV, which Board of Directors believe is expected to have a material impact on reserves, profits, earning per share and book value of the shares.

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

The following table presents certain accounting and other ratios derived from our audited consolidated and standalone financial statements as at and for the years ended March 31, 2013 and March 31, 2012 included in “Financial Information” on page 132 of this Letter of Offer.

This table should be read in conjunction with “Financial Information” and “Risk Factors” appearing on page 132 and XV, respectively in the Letter of Offer.

Particulars	Consolidated			Standalone		
	[•]	[•]	[•]	[•]	[•]	[•]
Basic EPS (₹)	[•]	[•]	[•]	[•]	[•]	[•]
Diluted EPS (₹)	[•]	[•]	[•]	[•]	[•]	[•]
Return on Net Worth (%)	[•]	[•]	[•]	[•]	[•]	[•]
NAV per Equity Share (₹)	[•]	[•]	[•]	[•]	[•]	[•]

The ratios have been computed as below:

- Basic Earnings Per share: Net Profit after tax (excluding extraordinary items and exceptional items)

$$\frac{\text{Net Profit after tax (excluding extraordinary items and exceptional items)}}{\text{Weighted average number of equity shares outstanding during the year/period}}$$
- Diluted Earnings Per share: Net Profit after tax (excluding extraordinary items and exceptional items)

$$\frac{\text{Net Profit after tax (excluding extraordinary items and exceptional items)}}{\text{Weighted average number of diluted shares outstanding during the year/period}}$$
- Return on Net Worth (%): Net Profit after Tax (excluding extraordinary items and exceptional items)

$$\frac{\text{Net Profit after Tax (excluding extraordinary items and exceptional items)}}{\text{Net Worth at the end of year/period}}$$
- Net asset value per share: Net Worth at the end of year/period

$$\frac{\text{Net Worth at the end of year/period}}{\text{Total number of equity shares outstanding during the year/period}}$$
- Net worth = Equity share capital + all Reserves. (excl. Revaluation Reserves);

Capitalisation Statement

Particulars	Standalone	
	Pre-Issue	Post-Issue*
Loan Funds:		
Long Term Debt	[●]	[●]
Short Term Debt and Current Maturity of Long Term Debt	[●]	[●]
Total debt (A)	[●]	[●]
Shareholders' funds:		
Share capital	[●]	[●]
Share Forfeiture Account	[●]	[●]
Securities premium	[●]	[●]
Other reserves and surplus	[●]	[●]
Total Shareholders' funds/Equity (B)	[●]	[●]
Total Capitalisation (A+B)	[●]	[●]
Long term Debt/Equity	[●]	[●]
Total Debt to Equity (A/B)	[●]	[●]

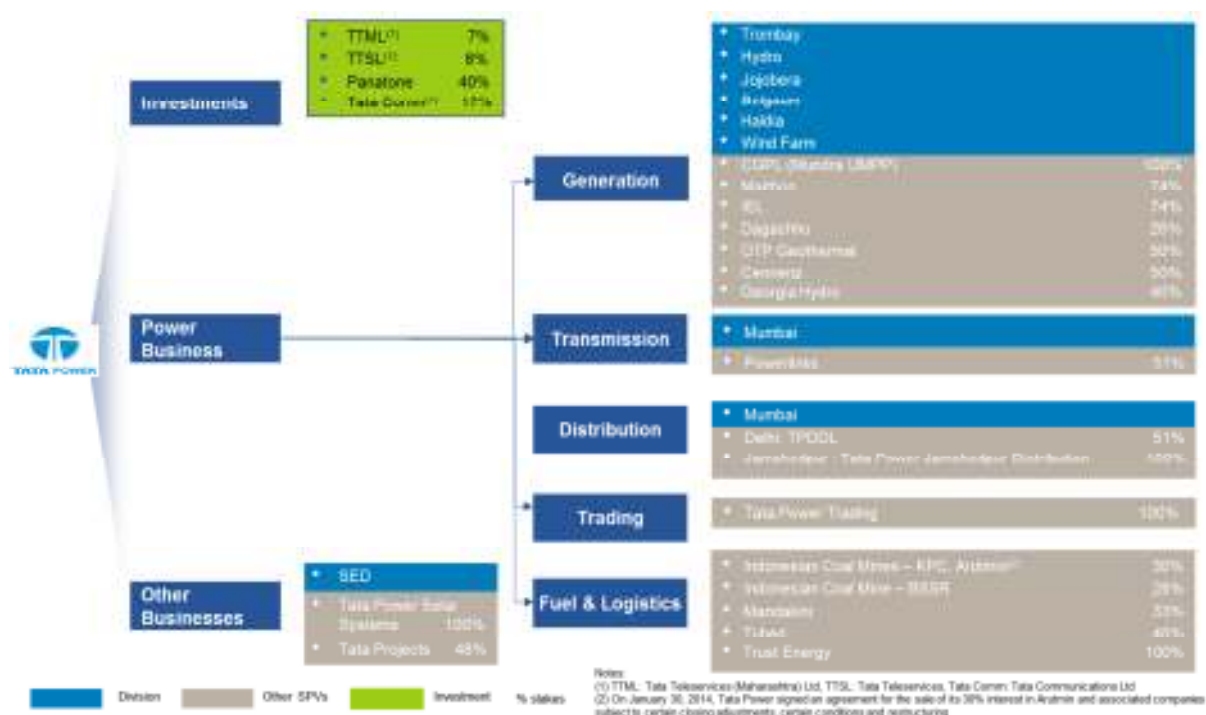
*Assuming full subscription to the extent of 33,22,30,130 Equity Shares at the Issue Price of ₹60.

SECTION VI – HISTORY AND CORPORATE STRUCTURE

History

The Tata Hydro Electric Power Supply Co. Limited was founded in 1906 and was awarded a licence to supply and distribute electricity in Mumbai in 1907. In 1915, Tata Hydro commissioned its first power station, a hydro plant at Khopoli. In the 1920s, hydro plants at Bhivpuri and Bhira were added. Tata Power was incorporated in 1919 under the Companies Act, 1913 and is now regulated by the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable). Following incorporation, Tata Power, Andhra Valley Power and Tata Hydro operated as separate but affiliated companies. In the 1960s, Tata Power developed its first thermal plant at Trombay. In the 1990s Tata Power expanded outside Maharashtra into Jharkhand and Karnataka. By order dated October 18, 2000, the High Court of Bombay approved the scheme of amalgamation between Tata Power, Andhra Valley Power and Tata Hydro to create one unified entity.

The following chart outlines, in schematic form, the key business divisions of Tata Power Group as at December 31, 2013 and, for the power business, lists the key operating assets:



Main objects of the Issuer:

1. To acquire from, take over and work the concession conferred upon Tata Sons Limited by the Government of Bombay, for the development of the Nila Mula Valley in the Haveli Taluka of the Poona District of the Presidency of Bombay with a view to the establishment of an undertaking for the generation of Electrical Energy by the storage of water power in a lake to be formed in that Valley and the supply of such energy to the public, upon such terms as may appear conducive to the interest of the Company and to pay therefor either in cash or in shares of the Company or partly in one and partly in the other, and with the object aforesaid to adopt, become parties to, enter into and carry into effect, with or without modification the agreement which is particularly referred to in Article 3(a) of the Articles of Association; and to become parties to, enter into and carry into effect all such other agreements, guarantees, deeds and instruments as may be necessary or as may be deemed advisable or proper.
2. To acquire and take over from Tata Sons Limited upon the terms of the said Agreement referred to in Article 3(a) of the Articles of Association, if the same shall be obtained by that Company, the License under the Indian Electricity Act 1910 to work the said concession, or to apply to the proper authority or authorities for and to obtain such License and all other rights, licenses and concessions ancillary thereto and necessary to enable the Company to turn such concession to account, and to work the undertaking of any such License.
3. To generate, develop and accumulate electrical power at the place or places contemplated by the said License and to transmit, distribute and supply such power throughout the area of supply named therein, and generally to generate, develop and accumulate power at any other place or places and to transmit, distribute and supply such power.
4. To carry on the business of a General Electric Power Supply Company in all its branches, and to construct, lay down, establish fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity, and to light cities, towns, streets, docks, markets, theatres, buildings and places, both public and private.
5. To acquire the right to use or manufacture and to put up telegraphs, telephones, phonographs, dynamos,

accumulators and all apparatus now known, or which may hereafter be invented, in connection with the generation, accumulation, distribution, supply and employment of electricity, or any power that can be used as a substitute therefor, including all cables, wires or appliances for connecting apparatus at a distance with other apparatus, and including the formation of exchanges or centres.

6. To carry on the business of electricians and electrical, mechanical engineers, suppliers of electricity for the purposes of light, heat, motive power or otherwise, and manufacturers of and dealers in apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, galvanism, magnetism, or otherwise.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION & DEFAULTS

Except as stated below our Company and our Subsidiaries are not aware of any outstanding litigation including suits, criminal or civil prosecutions and taxation related proceedings against our Company and/ or our Subsidiaries that would have a material adverse effect on our business. Further, there are no defaults, non-payment of statutory dues including, institutional/ bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against us as of the date of this Letter of Offer.

For the cases set out below, the materiality threshold has been determined as per Clause XII sub-clause C in Part E of Schedule VIII of the SEBI ICDR Regulations, which stipulates that for the outstanding litigations which may have any impact on the future revenues, disclosure is required where the aggregate amount involved in such individual litigation is likely to exceed one per cent of the total revenue of the issuer as per last completed financial year;

Further, except as stated below, neither our Company nor our Subsidiaries are aware of any litigation involving moral turpitude or criminal liability, material violations of statutory regulations or proceedings relating to economic offences, which have arisen in the last ten years.

In addition to the cases set out below, our Company and our Subsidiaries, from time to time, have been and continue to be involved in legal proceedings, arising in the ordinary course of their respective businesses. None of these legal proceedings filed against our Company or our Subsidiaries (excluding the cases set out below) are in the nature of criminal proceedings and we believe that the number of proceedings in which our Company and our Subsidiaries are/ were involved is not unusual for a company of our size doing business in India.

The following tables list out details on the Litigation as on December 31, 2013:

Sr. No	Nature of Litigation	No. of Pending Cases	Approximate Monetary Liability (in crore)
The Tata Power Company Limited			
1.	Civil	65	[726.68]
2.	Taxation	18	537.71
3.	Labour	19	Not ascertainable
Total		101	1,264.39

* To the extent ascertainable

I. Civil Cases

1. In respect of a standby charges dispute with Reliance Infrastructure Limited (“**R-Infra**”) for the period from April 1, 1999 to March 31, 2004, the Appellate Tribunal of Electricity (“**ATE**”), set aside the Maharashtra Electricity Regulatory Commission (MERC) Order dated May 31, 2004 and directed the Company to refund to R-Infra as on March 31, 2004, ₹ 354.00 crore (including interest of ₹ 15.14 crore) and pay interest at 10% per annum thereafter. As at March 31, 2013 the accumulated interest was ₹ 184.76 crore. On appeal filed by the Company, the Supreme Court vide its interim order dated February 07, 2007, has stayed the ATE order and in accordance with its directives, the Company has furnished a bank guarantee of the sum of ₹ 227.00 crore and also deposited ₹ 227.00 crore with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court. R-Infra has subsequently filed an appeal before the Supreme Court challenging the ATE order. Both the appeals have been admitted.

II. Criminal Cases

1. One Ms. Gyanwanti Dhakad a shareholder of the Company has filed a criminal case against the Company and Mr. R. N. Tata, Mr. A. J. Engineer & Mr. A. M. Sahani (“**ex-Directors**”) in the court of the Judicial Magistrate, Jaipur. The complainant has alleged non transfer of 80 shares held by her in the Company. The court has taken cognizance of the offences alleged and issued summons to the Company and the ex-Directors under Section 409 and 420 read with section 120-B of the Indian Penal Code. Pending disposal of a petition for quashing of the case filed by the

accused, the Jaipur Bench of the Rajasthan High Court has stayed the proceedings before the Judicial Magistrate, Jaipur.

III. Tax Matters

1. The Deputy Commissioner of Sales Tax issued a demand notice dated July 18, 2013, under Rule 8 of the Maharashtra Tax on the Entry of goods into Local Areas Rules, 2002 for an amount of ₹ 326,39,94,028 for entry tax to be paid by the Company for the financial year 2005-2006. The Company submitted an appeal and the Joint Commissioner of Sales Tax (Appeals) III, Mumbai has granted ad-interim stay up to August 31, 2013. There has been no further hearing in this case.
2. The Deputy Commissioner of Sales Tax issued a demand notice dated March 30, 2013, under Rule 8 of the Maharashtra Tax on the Entry of goods into Local Areas Rules, 2002 for an amount of ₹ 458,96,44,004 for entry tax to be paid by the Company for the financial year 2008-2009. The Company submitted an appeal and the Joint Commissioner of Sales Tax (Appeals) III, Mumbai has granted ad-interim stay up to August 31, 2013. There has been no further hearing in this case.

IV. Labour Matters

1. In the matter of BVK Anchan (Retd. Employee Trombay)
[•] [*To be finalized*]
2. In the matter of Tata Power v/s. State of Jharkhand
[•] [*To be finalized*]

GOVERNMENT APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required for our present business and to undertake the Issue and no further material approvals are required for carrying on our present activities. In addition, except as mentioned in this chapter as on the date of this Letter of Offer, there are no pending regulatory and government approvals and no pending material renewals of licenses or approvals in relation to the activities undertaken by us or in relation to the Issue.

[•]

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares to the Eligible Equity Shareholders is being made in accordance with the resolution passed by our Board of Directors under Sections 81(1), and other provisions of the Companies Act on February 27, 2014. The Board of Directors or Committee for Rights Issue in their meeting held on March 8, 2014 have determined the Issue Price as ₹ 60 per Equity Shares and the Rights Entitlement as 7 Equity Share(s) for every 50 Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Managers.

Our Company has complied with the provisions of Regulation 4 of the SEBI Regulations in connection with the general eligibility requirements for the Issue and confirms that:

1. Our Company, our Promoters, our Promoter Group, our Group Entities, Directors or person(s) in control of our Promoter have not been restrained, prohibited or debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI;
2. None of our Promoters, Directors or persons in control of our Company was or also is a promoter, director or person in control of any other company which has been restrained, prohibited or debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI;
3. Our Company, our Directors, our Promoters, our Promoter Group, our Group Entities and the relatives (as per the Companies Act) of our Directors, our Promoters, have not been declared as willful defaulters by RBI or any other governmental authority and there have been no violations of securities laws committed by us in the past, and no such proceedings are pending against us for alleged violation of securities laws;
4. Our Company is an existing company registered under the Companies Act, whose Equity Shares are listed on the Stock Exchanges, namely the BSE and the NSE and we have received in-principle approvals for listing of the Rights Shares to be issued pursuant to this Issue from the BSE and the NSE by letters dated [●] and [●], respectively, and have chosen the BSE Limited to be the Designated Stock Exchange for the purposes of this Issue. We will make applications to the Stock Exchanges for listing and trading permission in respect of the Rights Shares being offered in terms of this Letter of Offer.
5. Our Company has entered into a tripartite agreement dated [●] with NSDL and the Share Transfer Agent and a tripartite agreement dated [●] with CDSL and Share Transfer Agent, for dematerialization of our Equity Shares.
6. All existing partly paid-up Equity Shares of our Company have either been fully paid up or forfeited;
7. At least 75% of the aforesaid requirement of funds is proposed to be financed by the proceeds of the Issue.

Thus, provisions of Regulation 4 (g) of the SEBI Regulations for firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed Issue and internal accruals/ other sources, does not apply to our Company as our Company does not propose to avail any borrowed funds for part financing the Object of the Issue.

Our Company is an existing listed company registered under the Companies Act whose Equity Shares are listed on the BSE and the NSE. Our Company has complied with the requirements of Part E of Schedule VIII of the SEBI (ICDR) Regulations, to the applicable extent, in terms of the disclosures made in this Letter of Offer.

Prohibition by SEBI or RBI

None of the Directors or person(s) in control of the Promoters has been prohibited from accessing the capital markets under any order or direction passed by the SEBI. Further the Promoter, their relatives (as per the Companies Act, 2013), the Company and group companies are not declared as willful defaulters by the RBI/Government authorities.

Eligibility for the Issue

We are an existing company registered under the Companies Act and our Equity Shares are listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter IV of the SEBI ICDR Regulations.

Our Company is eligible to under this Issue by way of a 'fast track issue' as it satisfies the following criteria set out in Regulation 10 of the SEBI ICDR Regulations:

- a) the Equity Shares have been listed on BSE and the NSE, each being a recognized stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of this Letter of Offer;
- b) the average market capitalization of public shareholding of our Company is at least ` 3,000 crores for a period of one year up to the end of the quarter preceding the month in which the Issue was approved by the board of the Company;
- c) the annualized trading turnover of the equity shares of our Company during the six calendar months immediately preceding the month of this Letter of Offer with the designated stock exchange has been at least 2% of the weighted average number of equity shares available as free float during such six months' period;
- d) as of the date of this Letter of Offer, our Company has redressed all the complaints received from the investors till the end of the quarter immediately preceding the month of the date of this Letter of Offer;
- e) our Company has been in compliance with the equity listing agreement for a period of at least three years immediately preceding the date of this Letter of Offer;
- f) there are no audit qualifications on the audited financial statements included together with the respective audit reports in this Letter of Offer.;
- g) no show-cause notices have been issued or prosecution proceedings initiated by the Securities and Exchange Board of India or pending against our Company or its Promoter or whole time directors as of the date of this Letter of Offer; and

the entire shareholding of the promoter group of our Company is currently as on the date of this Letter of Offer. Furthermore, we are eligible to make disclosures in this Letter of Offer as per clause 5 under Part E of Schedule VIII of the SEBI ICDR Regulations as we are in compliance with the following:

- a) We have been filing periodic reports, statements and information in compliance with the listing agreement for the last three years immediately preceding the date of this Letter of Offer;
- b) The reports, statements and information referred to in paragraph (a) above are available on the websites of BSE and NSE, which are recognised stock exchange with nationwide trading terminals;
- c) We have an investor grievance-handling mechanism, which includes meeting of the Share Transfer and Investors' Grievance Committee at frequent intervals, appropriate delegation of power by the Board of Directors as regards share transfer to the Share Transfer and Investors' Grievance Committee and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGERS, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, BNP PARIBAS AND HSBC SECURITIES & CAPITAL MARKETS (INDIA) PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGERS, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, HSBC SECURITIES & CAPITAL MARKETS (INDIA) PRIVATE LIMITED, AND BNP PARIBAS HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE LETTER OF OFFER PERTAINING TO THE ISSUE;**
- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

- (a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (c) THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013 (TO THE EXTENT APPLICABLE), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS
- (3) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID.
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE
- (5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS – NOT APPLICABLE
- (6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS – NOT APPLICABLE
- (7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS'

CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE

- (8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE OBJECTS LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- (9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE ESCROW COLLECTION BANK AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE FOR A RIGHTS ISSUE. TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALIZATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE SEBI ICDR REGULATIONS**
- (10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.**
- (11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- (12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:**
 - (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND**
 - (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**
- (13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE**
- (14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS**

BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

- (15) **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- (16) **WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR. - NOT APPLICABLE.**

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH AS18 IN THE CONDENSED INTERIM FINANCIAL INFORMATION OF THE COMPANY FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2013.

- (17) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (18) WE CONFIRM THAT THE COMPANY IS ELIGIBLE TO MAKE FAST TRACK ISSUE IN TERMS OF REGULATION 10 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION, BY THE COMPANY, HAS ALSO BEEN DISCLOSED IN THE LETTER OF OFFER.
- (19) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE, UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH THE PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. – NOTED FOR COMPLIANCE
- (20) WE CONFIRM THAT THE ABRIDGED LETTER OF OFFER CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE
- (21) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY.
- (22) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE LETTER OF OFFER. – NOT APPLICABLE

Caution

Disclaimer clauses from the Company and the Lead Managers

We and the Lead Managers, JM Financial Institutional Securities Limited, BNP Paribas and HSBC Securities & Capital Markets (India) Private Limited, accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his own risk.

We and the Lead Managers shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This

Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Investors who invest in the Issue will be deemed to have represented to us and Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue. Investors who invest in the Issue, shall not issue, sell, pledge or transfer their Rights Entitlement or Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Investor on whether such Investor is eligible to acquire any Equity Shares.

The Lead Managers and their affiliates may engage in transactions with, and perform services for, our Company or the Promoter and Promoter Group or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or the Promoter and Promoter Group or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be the BSE.

Disclaimer Clause of BSE

BSE has given vide its letter bearing Ref. No. [●] dated [●], permission to this Company to use the exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The exchange does not in any manner:

- i) warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
- ii) warrant that this Company's securities will be listed or will continue to be listed on the exchange; or
- iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management, or any scheme or project of this Company;

and it should not for any reason be deemed or construed that the Letter of Offer has been cleared or approved by the exchange. Every person who desires to apply for or otherwise acquired any securities of this Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any reason whatsoever.

Disclaimer Clause of NSE

The NSE has given vide its letter Ref. No. [●] dated [●] permission to the Company to use the exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. It is to be distinctly understood that the aforesaid permission given by NSE should not be deemed or construed that the Letter of Offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Letter of Offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management, or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Securities Market

None of our Directors are associated with the securities market in any manner.

Selling Restrictions

The distribution of this Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to our Eligible Equity Shareholders and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAFs to the Eligible Equity Shareholders who have provided an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the rights or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the issue of the rights or Equity Shares or rights, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the rights referred to in this Letter of Offer.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in the Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

IMPORTANT INFORMATION FOR INVESTORS – ELIGIBILITY AND TRANSFER RESTRICTIONS

As described more fully below, there are certain restrictions regarding the rights and Equity Shares that affect potential investors. These restrictions are restrictions on the ownership of Equity Shares by such persons following the Issue.

This Issue and the Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

This Issue and the Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Eligible Investors

The rights or Equity Shares are being offered and sold only to persons who are outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. All persons who acquire the rights or Equity Shares are deemed

to have made the representations set forth immediately below.

Equity Shares and Rights Offered and Sold in this Issue

Each purchaser acquiring the rights or Equity Shares, by its acceptance of this Letter of Offer and of the rights or Equity Shares, will be deemed to have acknowledged, represented to and agreed with us and the Lead Managers that it has received a copy of this Letter of Offer and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the rights or Equity Shares in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the rights and Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser is purchasing the rights or Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the rights or Equity Shares, was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such rights or Equity Shares was originated, and continues to be located outside the United States and has not purchased such rights or Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such rights or Equity Shares or any economic interest therein to any person in the United States;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such rights or Equity Shares, or any economic interest therein, such rights or Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the rights or Equity Shares is not part of a plan or scheme to evade the registration requirements of the Securities Act;
- (7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the rights or the Equity Shares;
- (8) the purchaser understands that such rights or Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE

SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (9) the purchaser agrees, upon a proposed transfer of the rights or the Equity Shares, to notify any purchaser of such rights or Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the rights or Equity Shares being sold;
- (10) the Company will not recognize any offer, sale, pledge or other transfer of such rights or Equity Shares made other than in compliance with the above-stated restrictions; and
- (11) the purchaser acknowledges that the Company, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such rights or Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such rights or Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

[Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State”) who receives any communication in respect of, or who acquires any rights or Equity Shares under, the offers contemplated in this Letter of Offer will be deemed to have represented, warranted and agreed to and with each Lead Manager and the Company that in the case of any rights or Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:

- (a) the rights or Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Lead Managers has been given to the offer or resale; or
- (b) where rights or Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those rights or Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any of the rights or Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the rights or Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the rights or Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.] [***To be confirmed***]

Listing

The existing Equity Shares are listed on BSE and NSE. We have received the in-principle approvals in respect of the Equity Shares to be offered in terms of the Letter of Offer from BSE and NSE dated [●] and [●], respectively. We will apply to BSE and NSE for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. If the listing and trading approvals for the Equity Shares to be issued pursuant to this Issue is not granted by any of the Stock Exchanges, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer.

We will issue and dispatch Allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the Allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

If such Allotment is not made or money is not repaid within eight days from the day we become liable to repay it, we and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to pay the money as prescribed under the provisions of the Companies Act, 2013.

Consents

Consents in writing of the Directors, the Auditor, the Lead Managers, the Legal Advisors to the Issue, the International Legal Advisors to the Lead Managers, the Registrar to the Issue, Compliance Officer, Chartered Accountants, Escrow Collection Banks and the Monitoring Agency have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Experts to our Company for the Issue

[●], Chartered Accountants, have provided their written consent for the inclusion of the reports on the standalone and consolidated financial statements in the form and context in which the reports appear in this Letter of Offer, and to be named as experts in relation thereto. Pursuant to the AGM held on August 16, 2013, [●], Chartered Accountants are the sole Statutory Auditors of the Company and the financial statements included in this Letter of Offer have been signed by them.

M/s. [●], Chartered Accountants, have provided their written consent for the inclusion of the statement of special tax benefits in the form and context in which it appears in this Letter of Offer, and to be named as an expert in relation thereto, and such consent has not been and will not be withdrawn up to the time of delivery of this Letter of Offer to SEBI.

Issue Related Expenses

The estimated issue related expenses are:

Activity	Amount (₹ in crore)	As a % of total expenses	As a % of Issue Size
Fees payable to intermediaries including Lead Managers and Registrar to the Issue	[●]	[●]	[●]
Advertising, Printing and stationery (including courier and distribution charges)	[●]	[●]	[●]
Others (legal fees, listing charges, depositories' fees, auditor fees, out of pocket reimbursements, monitoring agency fees, etc.)	[●]	[●]	[●]
Total	[●]	100.00%	[●]

Investor Grievances and Redressal System

We have adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreements. Additionally, we have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011, under which all investor complaints pertaining to our Company are electronically sent through SEBI Complaints Redress System (SCORES) at <http://scores.gov.in/Admin>. All investor grievances received by us have been handled by the Share Transfer Agent in consultation with the compliance officer.

Our Board has constituted the Stakeholders Relationship Committee by way of a resolution dated 30th September 2013. Earlier this Committee was known as Shareholders' / Investors' Grievance Committee. This committee currently comprises Dr. H. S. Vachha, Ms. V. V. Mulye and Mr. S. Padmanabhan. The Stakeholders Relationship Committee oversees the reports received from the Registrar and Share Transfer agent and facilitates the prompt and effective resolution of complaints from our shareholders and investors. Its broad terms

of reference include:

- Redressal of Equity Shareholder and Investor complaints including, but not limited to non-receipt of Share Certificates, transfer of Equity Shares and issue of duplicate Share Certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc.; and
- Monitoring transfers, transmissions, dematerialization, rematerialisation, splitting and consolidation of shares issued by the Company.

Time normally taken for disposal of various types of investor complaints: Not more than one month.

Status of outstanding investor complaints

As of the date of the filing of this Letter of Offer, we have no outstanding investor complaints.

Investor Grievances arising out of the Issue

The Investor grievances arising out of the Issue will be handled by Link Intime India Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling post-Issue correspondences only.

[The agreement between us and the Registrar provides for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice/ share certificate/ demat credit/ refund order to enable the Registrar to redress grievances of Investors.] [*To be confirmed*]

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Investors giving full details such as folio no. / demat account no., name and address, contact telephone/ cell numbers, email id of the first applicant, number of Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank/ SCSB and the branch where the CAF was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The Company is registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by us.

The average time taken by the Registrar for attending to routine grievances will be within 15 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. We undertake to resolve the Investor grievances in a time bound manner.

Registrar to the Issue

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078

Tel: +91 22 2596 7878

Fax: +91 22 2596 0329

Email: tatapower.rights@linkintime.co.in

Investor Grievance Email: tatapower.rights@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr Pravin Kasare

SEBI Registration No.: INR000004058*

* The SEBI registration of Link Intime India Private Limited will expire on May 5, 2014. Link Intime India Private Limited has made an application dated January 30, 2014 to SEBI for grant of renewal of the registration, in accordance with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993, as amended. The renewal of the registration from SEBI is currently awaited. As on date of this Letter of Offer, no communication has been received by Link Intime India Private Limited from SEBI rejecting the said application.

Investors may contact the Company Secretary and Compliance Officer and/or Registrar to the Issue in case of any pre-Issue/ post -Issue related problems such as non-receipt of Allotment advice/ share certificates/ demat credit/ refund orders etc. The contact details of the Compliance Officer are as follows:

Compliance Officer for the Issue

Mr. H.M. Mistry

Company Secretary

Bombay House,
24, Homi Mody Street,
Mumbai 400 001,
Maharashtra
India

Tel: +91 22 6665 7515

Fax: +91 22 6717 1004

E-mail: investorcomplaints@tatapower.com

Minimum Subscription

If our Company does not receive minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date.

If there is a delay in the refund of subscription by more than eight days after our Company becomes liable to pay the subscription amount i.e. 15 days after the Issue Closing Date, our Company and every Director of our Company who is an officer in default will be liable to pay interest for the delayed period, as per the provisions of the Companies Act, 2013.

SECTION VIII – OFFERING INFORMATION

TERMS OF THE ISSUE

The Equity Shares proposed to be issued are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, including the CAF, the Memorandum of Association and Articles of Association, the provisions of the Companies Act and FEMA, applicable guidelines and regulations issued by SEBI and RBI, or other statutory authorities and bodies from time to time, the Listing Agreements entered into by our Company, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time. All rights/ obligations of Eligible Equity Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute under and including any court proceedings and / or currently under transmission or are held in a demat suspense account pursuant to clause 5A of the Listing Agreement and for which our Company has withheld the dividend, shall be held in abeyance and the CAFs in relation to these Rights Entitlement shall not be dispatched pending resolution of the dispute / completion of the transmission or pending the release of Equity Shares from demat suspense account. On submission of such documents / records confirming the legal and beneficial ownership of the Equity Shares with regard to these cases, to the satisfaction of the Issuer, the Issuer shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Shares with respect to these Rights Entitlement at the Issue Price of ₹60 per Equity Share as adjusted for any bonus shares, consolidation or spilt of shares (as may be applicable) in accordance with the provisions of the Companies Act, the Companies Act 2013 (to the extent applicable) and all other applicable laws.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000

Please note that an ASBA Investor is an Eligible Equity Shareholder who (i) is holding our Equity Shares in dematerialized form as on the Record Date and has applied for Rights Entitlements and/ or additional Equity Shares in dematerialized form; (ii) has not renounced Rights Entitlements in full or in part; (iii) is not a Renouncee; and (iv) who is applying through blocking of funds in a bank account maintained with SCSBs.

All Investors (apart from Retail Individual Investors) having bank accounts with SCSBs that are providing ASBA in cities / centers where such Investors are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection. All Investors are encouraged to make use of the ASBA facility wherever such facility is available. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process.

For details, please refer to “*Procedure for Application through the Applications Supported by Blocked Amount Process*” on page 174.

Authority for the Issue

The Issue of Equity Shares to the Eligible Equity Shareholders of our Company as on the Record Date is being made in accordance with the resolution passed by our Board of Directors under Section 81(1) of the Companies Act, on February 27, 2014.

Any renunciation (i) from resident Indian Eligible Equity Shareholder(s) to NR(s); (ii) from NR Eligible Equity Shareholder(s) to resident Indian(s); or (iii) from a NR Eligible Equity Shareholder(s) to other NR(s), is subject to the renouncer(s)/renounee(s) obtaining any necessary regulatory approvals from the RBI. The renouncer(s)/renounee(s) is/are required to obtain any such approval and attach the same to the CAF, along with any other approval that may be required by such renouncer(s)/renounee(s). All such renunciations shall be subject to any conditions that may be specified in such RBI approval. Applications not complying with conditions of the approval/not accompanied by such approvals are liable to be rejected.

Any renunciation other than as stated above is subject to the renouncer(s)/renounee(s) obtaining the approval of the FIPB and/or necessary permission of the RBI under the FEMA and such permissions should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those Equity Shareholders whose names appear as beneficial owners as per the list furnished by the Depositories for the purpose of this Issue in respect of the Equity Shares held in the electronic form and on the Register of Members in respect of the Equity Shares held in physical form at the close of business hours on the Record Date i.e. March 20, 2014, fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

The Eligible Equity Shareholders shall be entitled to apply for 7 Equity Shares for every 50 Equity Shares held on the Record Date. As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Equity Shareholder as on the Record Date, i.e., March 20, 2014, you are entitled to the number of Equity Shares as set out in Part A of the CAF.

The distribution of the Letter of Offer / Abridged Letter of Offer and the Issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer/ Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer and CAFs to such shareholders who have a registered address in India or who have provided an Indian address. Any person who acquires Rights Entitlements or the Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and in other restricted jurisdictions.

Principal Terms of the Equity Shares issued under this Issue

Face Value

Each Equity Share will have the face value of ₹ 1.

Issue Price

Each Equity Share shall be offered at an Issue Price of ₹ 60 for cash at par per Equity Share. The Issue Price has been arrived at by our Company in consultation with the Lead Managers.

Rights Entitlement Ratio

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 7 Equity Shares for every 50 Equity Shares held on the Record Date.

Terms of Payment

The full amount of ₹ 60 per Equity Share is payable on application.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 7 Equity Shares for every 50 Equity Shares held as on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 50 Equity Shares or is not in multiple of 50, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement.

Those Eligible Equity Shareholders holding less than 50 Equity Shares and therefore entitled to zero Equity Shares under this Issue shall be dispatched a CAF with zero entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares. However, Eligible Equity Shareholders with zero entitlement will be given preference in the allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares. However, they cannot renounce the same in favour of any third parties. CAF with zero entitlement will be non-negotiable/ non-renounceable.

It is clarified that the additional Equity Shares, required in connection with the aforementioned allotments would be adjusted from the unsubscribed portion of the Issue, if any

An illustration stating the Rights Entitlement for number of Equity Shares is set out below:

No. of Equity Shares	Rights Entitlement
50	7
200	28
3,000	420

Ranking

The Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Equity Shares issued under this Issue shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

Mode of payment of dividend

In the event of declaration of dividend, we shall pay dividend to Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of our Articles of Association.

Listing and trading of Equity Shares proposed to be issued

Our existing Equity Shares are currently listed and traded on BSE (Scrip Code: 500400 under the ISIN - INE245A01021) and NSE (Symbol: TATAPOWER under the ISIN – INE245A01021).

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges in the demat segment only.

We have received “in-principle” approvals for the listing of the Equity Shares to be issued pursuant to the Issue in accordance with Clause 24(a) of the Listing Agreement from BSE and NSE pursuant to letters dated [●] and [●], respectively. We will apply to BSE and NSE for final approval for the listing and trading of the Equity Shares. All steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares to be Allotted pursuant to the Issue shall be taken as per the regulatory requirement. The Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE under the existing ISIN for Equity Shares.

Rights of the Eligible Equity Shareholders

Subject to applicable laws, the Eligible Equity Shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to attend general meetings and exercise voting powers, unless prohibited by law;
3. Right to vote in person or by proxy;
4. Right to receive offers for rights shares and be allotted bonus shares, if announced;
5. Right to receive surplus on liquidation;
6. Right to free transferability of Equity Shares; and
7. Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

General Terms of the Issue

Market Lot

The market lot for the Equity Shares in dematerialised mode is one Equity Share. In case an Eligible Equity Shareholder holds Equity Shares in physical form, we would issue to the allottees one certificate for the Equity Shares allotted to each folio (“**Consolidated Certificate**”) and in case an Eligible Equity Shareholder seeks allotment in demat form (whether existing Equity Shares being held in demat or physical form) and provides all relevant and correct details we would allot him in demat form. In respect of Consolidated Certificates, we will upon receipt of a request from the respective Eligible Equity Shareholders, split such Consolidated Certificates into smaller denominations within one week’s time from the receipt of the request in respect thereof, subject to a maximum of five denominations. We shall not charge a fee for splitting any of the Consolidated Certificates.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

In terms of Section 109A of the Companies Act, nomination facility is available in respect of the Equity Shares. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Eligible Equity Shareholders who are individuals, a sole Equity Shareholder or the first named Equity Shareholder, along with other joint Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Fresh nominations can be made only in the prescribed form available on request at our Registered Office or such other person at such addresses as may be notified by us. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other money payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with us, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant (“DP”) of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform their respective DP.

Notices

All notices to the Eligible Equity Shareholder (s) required to be given by us shall be published in one English national daily with wide circulation, one Hindi national daily with wide circulation, one regional language daily newspaper with wide circulation in the state/ union territory within which the Company’s registered office is located and/ or will be sent by registered post / speed post to the registered addresses of the Eligible Equity Shareholders in India or the Indian address provided by the Eligible Equity Shareholders, from time to time.

Subscription by our Promoters and Promoter Group

[•]

For further details, please refer to “*Terms of the Issue - Basis of Allotment*” on page 184.

Procedure for Application

Application supported by block amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For further details check section on ASBA on page 174 below.

The CAF for Equity Shares offered as a part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholders or is misplaced by the Eligible Equity Shareholders, the Eligible Equity Shareholders may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Eligible Equity Shareholder(s) does not match with the specimen registered with us, the application is liable to be rejected.

Please note that neither the Company nor the Registrar shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/ duplicate CAF are misplaced in the transit.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000.

Please also note that by virtue of Circular No. 14, dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Any Eligible Equity Shareholders being an OCB is required to obtain prior approval from RBI for applying in this Issue.

The CAF consists of four parts:

- Part A: Form for accepting the Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Equity Shares;
- Part B: Form for renunciation of Equity Shares;
- Part C: Form for application for renunciation of Equity Shares by Renouncee(s);
- Part D: Form for request for split Application forms.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Shareholder is entitled to.

If the Eligible Equity Shareholder applies for an investment in the Equity Shares offered as a part of this Issue, then he can:

- Apply for his Rights Entitlement of Equity Shares in full;

- Apply for his Rights Entitlement of Equity Shares in part;
- Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares (by requesting for split forms);
- Apply for his Rights Entitlement in full and apply for additional Equity Shares;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Equity Shares offered, either in full or in part, by filling Part A of the CAF and submit the same along with the application money payable to the collection branches of the Escrow Collection Banks as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date. Investors at centres not covered by the branches of Escrow Collection Bank can send their CAFs together with the cheque drawn at par on a local bank at Mumbai/ demand draft payable at Mumbai to the Registrar to the Issue by registered post/ speed post so as to reach the Registrar to the Issue before close of banking hours on or before the Issue Closing Date. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please refer to “*Mode of Payment for Resident Eligible Equity Shareholders / Investors*” and “*Mode of Payment for Non-Resident Eligible Equity Shareholders / Investors*” on page 194.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under “*Terms of the Issue - Basis of Allotment*” on page 184.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that we shall not Allot and/ or register and Equity Shares in favour of more than three persons (including joint holders), partnership firm(s) or their nominee(s), minors, HUF, any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold equity shares, as the case may be). Additionally, Eligible Equity Shareholders may not renounce in favour of persons or entities in the United States, or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.

Any renunciation other than as stated above is subject to the renouncer(s)/renounee(s) obtaining the approval of the FIPB and/or necessary permission of the RBI under the FEMA and such permissions should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

Renunciation by OCBs

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors, and the RBI has subsequently issued the Foreign Exchange Management (withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, the Eligible Equity Shareholders who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same cannot renounce (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/ 2000-RB dated May 3, 2000 under the Consolidated FDI Policy with the prior approval of the Government, if the investment is through Government Route, and with the prior approval of the RBI, if the investment is through the Automatic Route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Renunciation by non-resident shareholders

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Equity Shares in Part 'C' of the CAF to receive Allotment of such Equity Shares. Part 'A' of the CAF must not be used by the Renounee(s) as this will render the application invalid. Renounee(s) will have no further right to renounce any Equity Shares in favour of any other person.

Procedure for renunciation

To renounce all the Equity Shares offered to an Eligible Equity Shareholders in favour of one Renounee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renounees, all joint Renounees must sign Part 'C' of the CAF.

To renounce in part/ or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renounees, the CAF must be first split into requisite number of SAFs. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder (s), who has renounced the Equity Shares, does not match with the specimen registered with us/ Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Escrow Collection Bank or to any of the collection branches of the Escrow Collection Bank as mentioned in the reverse of the CAF on or before the Issue Closing Date along with the application money in full. The Renouncee cannot further renounce.

Change and/ or introduction of additional holders

If you wish to apply for Equity Shares jointly with any other person(s), not more than three (including you), who is/ are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the CAF:

Option Available	Action Required
1. Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (<i>All joint holders must sign</i>)
2. Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (<i>All joint holders must sign</i>)
3. Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement of all the Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D (<i>all joint holders must sign</i>) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncees should fill in and sign Part C for the Equity Shares accepted by them.
4. Renounce your Rights Entitlement in full to one person (Joint Renouncees are considered as one).	Fill in and sign Part B (<i>all joint holders must sign</i>) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (<i>All joint Renouncees must sign</i>)

Option Available	Action Required
5. Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C in the desired sequence.

In case of Equity Shares held in physical form, applicants must provide information in the CAF as to their respective bank account numbers, name of the bank, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom the Letter of Offer /Abridged Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for SAF should be made for a minimum of one Equity Share or, in either case, in multiples thereof.
- Request by the Eligible Equity Shareholder for the SAFs should reach the Registrar on or before [●].
- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Eligible Equity Shareholder(s) by post at the applicant's risk.
- Eligible Equity Shareholders may not renounce in favour of persons or entities in restricted jurisdictions including the United States or to or for the account or benefit of a "U.S. Person" (as defined in Regulation S), or who would otherwise be prohibited from being offered or subscribing for the Equity Shares or the Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Equity Shares in Part 'C' of the CAF to receive Allotment of such Equity Shares.
- While applying for or renouncing their Rights Entitlement, joint Eligible Equity Shareholders must sign the CAF in the same order as per specimen signatures recorded with us or the Depositories.
- *Non-resident Eligible Equity Shareholders:* Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares Allotted as a part of this Issue shall, amongst other things, be subject to conditions, as may be imposed from time to time by the RBI in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.
- Applicants must write their CAF number at the back of the cheque / demand draft.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Equity Shares holders, the Registrar to the Issue

will issue a duplicate CAF on the request of the Eligible Equity Shareholder who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue at least 7 days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he/ she shall face the risk of rejection of both the applications.

Neither the Registrar nor the Lead Managers or us, shall be responsible for postal delays or loss of duplicate CAFs in transit, if any.

Application on Plain Paper - non-ASBA

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with cheque/ demand draft (after deducting banking and postal charges) payable at Mumbai which should be drawn in favour of “[●]” in case of resident shareholders and non-resident shareholders applying on non-repatriable basis and in favour of “[●]” in case of non-resident shareholders applying on repatriable basis and send the same by registered / speed post directly to the Registrar to the Issue so as to reach Registrar to the Issue on or before the Issue Closing Date.

Furthermore, Eligible Equity Shareholders have an option to print application on plain paper from the website of the Registrar to the Issue, i.e. www.linkintime.co.in, by providing his/ her folio. no. / DP ID/ Client ID in order to enable the Eligible Equity Shareholder to apply for the Issue. Further, they also can make an application on plain paper giving necessary details as given below.

The envelope should be superscribed “[●]” in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis, and “[●]” in case of non-resident shareholders applying on repatriable basis.

The application on plain paper, duly signed by the applicant(s) including joint holders, in the same order as per specimen signature recorded with us or the Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being The Tata Power Company Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ 60 per Equity Share;
- Particulars of cheque/ demand draft / pay order;
- Savings/ Current Account Number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Equity Shares allotted in demat form, the bank account details will be obtained from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts (subject to submitting sufficient documentary evidence in support of their claim for exemption, provided that such transactions are undertaken on behalf of the Central and State Government and not in their personal capacity), PAN of the Investor and for each Investor, in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;

- Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Allotment option preferred - physical or demat form, if held in physical form;
- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records or the Depositories' records
- In case of Non Resident Eligible Equity Shareholders, NRE/ FCNR/ NRO A/c No. name and address of the bank and branch;
- If payment is made by a draft purchased from an NRE/ FCNR/ NRO A/c No., as the case may be, an Account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting NRE/FCNR/ NRO A/c; and
- Additionally, all such applicants are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the Securities Act ("Regulation S"), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Equity Shares is/ are, outside the United States, and (ii) is/ are acquiring the Rights Entitlement and/ or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/ she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor.

Last date for Application

The last date for submission of the duly filled in CAF is [●].

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date, the invitation to offer contained in the Letter of Offer/ Abridged Letter of Offer shall be deemed to have been declined and the Board or any authorised committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under the chapter “Terms of the Issue – Basis of Allotment” on page 184.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (“ASBA”) PROCESS

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. The Lead Managers and we are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Managers, our Company, our directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000.

Please note that an ASBA Investor is an Eligible Equity Shareholder who (i) is holding our Equity Shares in dematerialized form as on the Record Date and has applied for Rights Entitlements and/ or additional Equity Shares in dematerialized form; (ii) has not renounced Rights Entitlements in full or in part; (iii) is not a Renouncee; and (iv) who is applying through blocking of funds in a bank account maintained with SCSBs.

All Investors (apart from Retail Individual Investors) having bank accounts with SCSBs that are providing ASBA in cities / centers where such Investors are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection. All Investors are encouraged to make use of the ASBA facility wherever such facility is available.

The list of banks, which have been notified by SEBI to act as SCSBs for the ASBA Process, is provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details on Designated Branches of SCSBs collecting the CAF, please refer the above-mentioned SEBI link.

In terms of SEBI circulars dated September 13, 2012 and January 2, 2013, SCSBs should ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Equity Shares through the ASBA Process is available only to the Eligible Equity Shareholders who are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Equity Shares in the Issue.

To qualify as ASBA Investors, Eligible Equity Shareholders:

- are required to hold Equity Shares in dematerialized form as on the Record Date and apply for (i) their Rights Entitlement or (ii) their Rights Entitlement and Equity Shares in addition to their Rights Entitlement in dematerialized form;
- should not have renounced their Right Entitlement in full or in part;
- should not have split the CAF (unless all the SAFs are used by the original shareholder);
- should not be Renouncees; and
- should apply through blocking of funds in bank accounts maintained with SCSBs.

CAF

The Registrar will dispatch the CAF through registered post / speed post to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Eligible Equity Shareholders who must apply or who wish to apply through the ASBA will have to select for this ASBA mechanism in Part A of the CAF and provide necessary details.

Eligible Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF. Application in electronic mode will only be available with such SCSBs who provide such facility. The Eligible Equity Shareholder shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA Mechanism in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing.

Mode of payment

The Eligible Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on

application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into the separate bank account maintained by us as per the provisions of Section 40(3) of the Companies Act, 2013. The balance amount, if any, remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Managers to the respective SCSB.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account with the SCSB details of which have been provided by the Eligible Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, we would have a right to reject the application only on technical grounds.

In terms of SEBI circulars dated September 13, 2012 and January 2, 2013, SCSBs should ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (<i>All joint holders must sign</i>)
2.	Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (<i>All joint holders must sign</i>)

The Eligible Equity Shareholders applying under the ASBA Process will need to select the ASBA process option in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the designated branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAF would be treated as if the Eligible Equity Shareholder has selected to apply through the ASBA process option.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above the number of Equity Shares that you are entitled to, provided that you are eligible to apply for Equity Shares under applicable law and you have applied for all the Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under “Terms of the Issue - Basis of Allotment” on page 184.

If you desire to apply for additional Equity Shares please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Renunciation under the ASBA Process

Renouncees are not eligible to participate in this Issue through the ASBA Process.

Application on Plain Paper - ASBA

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper.

Furthermore, Eligible Equity Shareholders have an option to print application on plain paper from the website of the Registrar to the Issue, i.e. . www.linkintime.co.in, by providing his/ her folio. no. / DP ID/ Client ID in order to enable the Eligible Equity Shareholder to apply for the Issue. Further, they also can make an application on plain paper giving necessary details as given below.

The envelope should be superscribed “**Tata Power – Rights Issue**”. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per the specimen recorded with us or the Depositories, must reach the Designated Branch of the SCSBs before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being The Tata Power Company Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount to be blocked at the rate of ₹ 60 per Equity Share;

- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
 - In case of non-resident investors, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
1. Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue; and
 2. Signature of the Eligible Equity Shareholder to appear in the same sequence and order as they appear in our records.
 3. Additionally, all such applicants are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States". I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the Securities Act ("Regulation S"), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Equity Shares is/ are, outside the United States, and (ii) is/ are acquiring the Rights Entitlement and/ or the Equity Shares in "an offshore transaction" meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Option to receive Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN, WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA INVESTOR ON THE RECORD DATE.

Issuance of Intimation Letters

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by the Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

General instructions for Eligible Equity Shareholders applying under the ASBA Process

- 1) Please read the instructions printed on the CAF carefully.
- 2) Application should be made on the printed CAF and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of the Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.
- 3) The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose ASBA Account/ bank account details are provided in the CAF and not to the Escrow Collection Bank / Collecting Banks (assuming that such Collecting Bank is not a SCSB), to us or Registrar or Lead Managers to the Issue.
- 4) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/ her PAN number allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no allotment and credit of Equity Shares shall be made into the accounts of such Investors.**
- 5) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/ demand draft/ pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- 6) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with us and/ or Depositories.
- 7) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the depository/ us. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.

- 8) All communication in connection with application for the Equity Shares, including any change in address of the Eligible Equity Shareholder should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole applicant Eligible Equity Shareholder, folio numbers and CAF number.
- 9) Only the person or persons to whom the Equity Shares have been offered shall be eligible to participate under the ASBA Process.
- 10) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Equity Shares under applicable securities laws are eligible to participate.
- 11) Only the Eligible Equity Shareholders holding Equity Shares in demat are eligible to participate through ASBA process.
- 12) Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.
- 13) Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000.
- 14) All Investors (apart from Retail Individual Investors) having bank accounts with SCSBs that are providing ASBA in cities / centers where such Investors are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection. All Investors are encouraged to make use of the ASBA facility wherever such facility is available.
- 15) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the heading “*Application on Plain Paper - ASBA*” on page 174.
- 16) **In terms of SEBI circulars dated September 13, 2012 and January 2, 2013, SCSBs should ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.**

Do's:

- Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in.
- Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.
- Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

- Ensure that there are sufficient funds (equal to {number of Equity Shares applied for} X {Issue Price of Equity Shares}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
- Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.
- Except for CAFs submitted on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, each applicant should mention their PAN allotted under the I T Act.
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- Ensure that the Demographic Details are updated, true and correct, in all respects.
- Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.
- Apply under the ASBA process only if you comply with the definition of an ASBA investor

Don'ts:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- Do not pay the amount payable on application in cash, by money order, by pay order or by postal order.
- Do not send your physical CAFs to the Lead Managers to Issue/ Registrar/ Collecting Banks (assuming that such Collecting Bank is not a SCSB)/ to a branch of the SCSB which is not a Designated Branch of the SCSB/ Company; instead submit the same to a Designated Branch of the SCSB only.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- Do not apply if the ASBA account has been used for five applicants.
- Do not apply through the ASBA Process if you are not an ASBA Investor.
- Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under “*Grounds for Technical Rejection for non-ASBA Investors*” on page 190, applications under the ASBA Process are liable to be rejected on the following grounds:

- Application on a SAF (unless all the SAFs are used by the original shareholder).
- Application for allotment of Rights Entitlements or additional shares, which are in physical form.
- DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- Sending CAF to a Lead Manager/ Registrar/ Collecting Bank (assuming that such Collecting Bank is not a SCSB)/ to a branch of a SCSB which is not a Designated Branch of the SCSB/ Company.
- Insufficient funds are available with the SCSB for blocking the amount.
- Funds in the bank account with the SCSB whose details have been mentioned in the CAF / Plain Paper Application having been frozen pursuant to regulatory order.
- ASBA Account holder not signing the CAF or declaration mentioned therein.
- CAFs that do not include the certification set out in the CAF to the effect that the subscriber is not a “U.S. Person” (as defined under Regulation S) and does not have a registered address (and is not otherwise located) in the United States or other restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
- CAFs, which have evidence of being, executed in/ dispatched from a restricted jurisdiction or executed by or for the account or benefit of a “U.S. Person” (as defined in Regulation S).
- Renouncees applying under the ASBA Process.
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Submission of more than five CAFs per ASBA Account.
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- Submitting the GIR instead of the PAN.
- An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
- The Application by an Eligible Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 each and has not done so through the ASBA process.
- Applications by SCSBs not complying with the SEBI circulars dated September 13, 2012 and January 2, 2013, whereby SCSBs need to ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account should be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Depository account and bank details for Eligible Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDER ON THE RECORD DATE. ALL ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF.

Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF, the Registrar to the Issue will obtain from the Depository demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblocking of their respective ASBA Accounts. The Demographic Details given by the Eligible Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking the funds would be mailed at the address of the Eligible Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent equity shares are not allotted to such Eligible Equity Shareholders. Eligible Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Eligible Equity Shareholders in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Eligible Equity Shareholders applying under the ASBA Process and none of us, the SCSBs or the Lead Managers shall be liable to compensate the Eligible Equity Shareholders applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Articles of Association and the approval of the Designated Stock Exchange, the Board will proceed to Allot the Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and full allotment to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.
- (b) Allotment pertaining to fractional entitlements in case the shareholding is less than 50 Equity Shares or is not in multiples of 50. Investors whose fractional entitlements are being ignored would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Share. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for allotment under for this head are more than number of Equity Shares available after allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange, as a part of Issue and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders and Renouncees who having applied for all the Equity Shares offered to them or renounced in their favour, as the case may be, and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to their respective subscription amount, provided there is an under-subscribed portion after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of the Board or committee thereof, in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential Allotment.

[●]

Underwriting

[●].

Allotment Advices/ Refund Orders

Our Company will issue and dispatch Allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service (“NECS”) except where Investors have not provided the details required to send electronic refunds or where the Investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement (“RTGS”).

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given

separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and we issue letter of allotment, the corresponding share certificates will be kept ready within three months from the date of Allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates. For more information, please refer to the chapter “*Terms of the Issue*” on page 161.

The letter of allotment/ refund order would be sent by registered / speed post to the sole/ first Investor’s registered address in India or the Indian address provided by the Eligible Equity Shareholders from time to time. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked ‘Account Payee only’ and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes in case of applicants residing in any of the centers specified by SEBI:

NECS – This would be subject to availability of complete Bank Account Details including MICR code wherever applicable from the depository. The payment of refund through NECS is mandatory for applicants having a bank account at any of the centres where NECS facility has been made available by the RBI (subject to availability of all information for crediting the refund through NECS including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

- a) NEFT – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar or with the depository participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- b) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the refund bank(s) for the same would be borne by the Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- c) Direct Credit – Investors having bank accounts with the Escrow Collection Bank shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.
- d) For all other Investors the refund orders will be dispatched by registered post, where the value is ₹ 1500/- or more and by registered post / speed post in other cases.

- e) Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force and are permitted by the SEBI from time to time.

Refund payment to Non- resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian Rupees based on the U.S. dollars equivalent which ought to be refunded. Indian Rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/ refund warrants, which can then be deposited only in the account specified. We will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice/ Share Certificates/ Demat Credit

Allotment advice/ share certificates/ demats credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates. In case our Company issues allotment advice, the relative share certificates will be dispatched within one month from the date of Allotment.

Option to receive Equity Shares in Dematerialized Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. We have signed a tripartite agreement with NSDL and the Registrar to the Issue on [●], which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. We have also signed a tripartite agreement with CDSL and the Share Transfer Agent, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the allottees who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/ or dematerialized form should be made.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

- (a) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in our records. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in our records). In case of Investors having various folios with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Eligible Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.*
- (b) For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in our records.

The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.

If incomplete/ incorrect beneficiary account details are given in the CAF, the Investor will get Equity Shares in physical form.

The Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to the applicant the confirmation of the credit of such Equity Shares to the applicant's depository account. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL.

Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.

Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Eligible Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

General instructions for non-ASBA Investors

1. Please read the instructions printed on the CAF carefully.
2. Application should be made on the printed CAF, provided by us except as mentioned under the head "Application on Plain Paper – non-ASBA" on page 172 and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which

are not completed in conformity with the terms of the Letter of Offer or Abridged Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's/ husband's name must be filled in block letters.

The CAF together with the cheque/ demand draft should be sent to the Escrow Collection Bank / Collecting Bank or to the Registrar to the Issue and not to us or Lead Managers to the Issue. Investors residing at places other than cities where the branches of the Escrow Collection Bank have been authorised by us for collecting applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is/ are detached or separated, such application is liable to be rejected.

Applications where separate cheques/ demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected.

3. Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/ her PAN number allotted under the I.T. Act, irrespective of the amount of the application. **CAFs without PAN will be considered incomplete and are liable to be rejected.**
4. Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings/ current account number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
5. All payment should be made by cheque/ demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
6. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with us/ Depositories.
7. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and certified true a copy of the Memorandum and Articles of Association and/ or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above-referred documents are already registered with us, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Escrow Collection Bank.
8. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with us or the Depositories. Further, in case of joint Investors

who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

9. Application(s) received from NRs/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, including regulations relating to QFIs, in the matter of refund of application money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/ NRIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
10. All communication in connection with application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Eligible Equity Shareholders, after the date of Allotment, should be sent to our Registrar and Transfer Agent, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.
11. SAFs cannot be re-split.
12. Only the Eligible Equity Shareholder(s) and not Renouncee(s) shall be entitled to obtain SAFs.
13. Investors must write their CAF number at the back of the cheque/ demand draft.
14. Only one mode of payment per application should be used. The payment must be by cheque/ demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.
15. A separate cheque/ draft must accompany each CAF. Outstation cheques/ demand drafts or post-dated cheques and postal/ money orders will not be accepted and applications accompanied by such outstation cheques/ outstation demand drafts/ money orders or postal orders will be rejected.
16. No receipt will be issued for application money received. The Escrow Collection Bank / Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
17. The distribution of the Letter of Offer and issue of Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Equity Shares.

Do's for non-ASBA Investors:

- Check if you are eligible to apply i.e. you are an Eligible Equity Shareholder on the Record Date;
- Read all the instructions carefully and ensure that the cheque/ draft option is selected in part A of the CAF and necessary details are filled in;

- In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;
- Ensure that your Indian address is available to us and the Registrar, in case you hold Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form;
- Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares before submission of the CAF. Investors residing at places other than cities where the branches of the Escrow Collection Bank have been authorised by us for collecting applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges;
- Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form;
- Ensure that you mention your PAN allotted under the I.T. Act with the CAF, except for Applications on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF;
- Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction;
- Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue;
- Do not pay the amount payable on application in cash, by money order or by postal order;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit Application accompanied with Stock invest;

Grounds for Technical Rejections for non-ASBA Investors.

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);

- Age of Investor(s) not given (in case of Renouncees);
- Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;
- If the signature of the Eligible Equity Shareholders does not match with the one given on the CAF and for Renouncee(s) if the signature does not match with the records available with their Depositories;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and the Letter of Offer;
- CAFs not duly signed by the sole/ joint Investors;
- CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue;
- CAFs accompanied by Stockinvest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand draft;
- In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certifications set out in the CAF to the effect that the subscriber is not a "U.S. Person" (as defined in Regulation S) and does not have a registered address (and is not otherwise located) in the United States or other restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations;
- CAFs which have evidence of being executed in/ dispatched from restricted jurisdictions;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws) and where the registered address in India has not been provided;
- CAFs where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except bids by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, including minors; and
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

- QIBs and other Eligible Equity Shareholders applying for Equity Shares in this Issue for value of more than ₹ 2,00,000 who hold Equity Shares in dematerialised form, applying through the non-ASBA process.
- Eligible Equity Shareholders not being individuals or HUFs applying for Equity Shares in this Issue for a value not exceeding ₹ 2,00,000, who hold Equity Shares in dematerialised form, applying through the non-ASBA process.
- The application by an Eligible Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.

Please read the Letter of Offer or Abridged Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of the Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

Investment by FIIs

In accordance with the current regulations, the following restrictions are applicable for investment by FIIs:

No single FII can hold more than 10% of our post-Issue paid-up share capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 5% of our total paid-up share capital.

Applications will not be accepted from FIIs in restricted jurisdictions.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“SEBI VCF Regulations”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“SEBI FVCI Regulations”) prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“SEBI AIF Regulations”) prescribe, amongst other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Investment by QFIs

In terms of circulars dated January 13, 2012, SEBI and RBI have permitted investment by QFIs in Indian equity issues, including in rights issues. A QFI can invest in the Issue through its depository participant with whom it has opened a demat account. No single QFI can hold more than 5% of the paid up equity capital of our Company at any point of time. Further, the aggregate shareholding of all QFIs shall not exceed 10% of the paid up equity capital of the Company at any point of time.

Applications will not be accepted from QFIs in restricted jurisdictions.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors (including all companies and bodies corporate) and Non Retail Individual Investors who are not Renouncees, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process. Furthermore, Eligible Equity Shareholders

not being individuals or HUFs are mandatorily required to make use of ASBA, even if the application amount does not exceed ₹ 2,00,000.

Mode of payment for Resident Eligible Equity Shareholders / Investors

- a. All cheques/ drafts accompanying the CAF should be drawn in favour of the Collecting Bank (specified on the reverse of the CAF), crossed 'A/c Payee only' and marked "[●]";

Investors residing at places other than places where the bank collection centres have been opened by us for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Escrow Collection Bank, crossed 'A/c Payee only' and marked "[●]" payable at Mumbai directly to the Registrar to the Issue by registered post / speed post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of application in transit, if any, on this account and applications received through mail after closure of the Issue are liable to be rejected.

Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Managers or the Registrar. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Eligible Equity Shareholders / Investors

As regards the application by non-resident Eligible Equity Shareholders / Investors, the following conditions shall apply:

- a. Individual non-resident Indian applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can also obtain application forms from the following address:

[●]

Note: the Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided

- b. Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- c. All non-resident Investors should draw the cheques/ demand drafts in favour of "[●]", crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Escrow Collection Bank / collection centres or to the Registrar to the Issue.
- d. Non-resident Investors applying from places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of Escrow Collection Bank, crossed "A/c Payee only" and marked "[●]" payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
- e. Payment by non-residents must be made by demand draft payable at Mumbai/ cheque payable drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

1. By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);
2. By local cheque / bank drafts remitted through normal banking channels or out of funds held in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance;
3. By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable in Mumbai;
4. FIIs registered with SEBI must remit funds from special non-resident rupee deposit account; or
5. Non-resident Investors applying with repatriation benefits should draw cheques/ drafts in favour of '[●]' and must be crossed 'account payee only' for the full application amount.
6. Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.
7. In the case of NRI Investors who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRI Investors who remit their application money through Indian Rupee drafts from abroad, refunds and other disbursements, if any, will be made in U.S Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Investor's bankers.
8. Payments through NRO accounts will not be permitted.

Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- (a) As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
- (b) All cheques/ drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of '[●]' and must be crossed 'account payee only' for the full application amount. The CAFs duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- (c) Investors may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.
- (d) New demat account shall be opened for holders who have had a change in status from resident Indian to NRI. Any application from a demat account which does not reflect the accurate status of the Applicant are liable to be rejected.

Notes:

- (a) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the I.T. Act.
- (b) In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- (c) The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- (d) In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act, which is reproduced below:

“Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or otherwise induces a Company to Allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years”.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by us. However, the Escrow Collection Bank / Registrar to the Issue/ Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money

due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date.

If there is a delay in the refund of subscription by more than eight days after our Company becomes liable to pay the subscription amount, our Company and every Director of our Company who is an officer in default will be liable to pay interest for the delayed period, as per the provisions of the Companies Act, 2013.

For further instructions, please read the CAF carefully.

Utilisation of Gross Proceeds

The Board of Directors declares that:

- (i) All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to sub-section (3) of Section 40 of the Companies Act, 2013;
- (ii) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized till the time any of the Gross Proceeds remained unutilised;
- (iii) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilized monies have been invested; and
- (iv) Our Company may utilize the funds collected in the Issue only after finalisation of the Basis of Allotment.

Undertakings by us

We undertake the following:

- (1) The complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily.
- (2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken within seven Working Days of finalization of basis of Allotment.
- (3) The funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by us.
- (4) We undertake that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (5) Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the basis of Allotment.
- (6) The certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within the specified time.

- (7) No further issue of securities affecting our equity capital shall be made till the securities issued/ offered through the Letter of Offer Issue are listed or till the application money are refunded on account of non-listing, under-subscription, *etc.*
- (8) At any given time there shall be only one denomination of our Equity Shares.
- (9) We accept full responsibility for the accuracy of information given in the Letter of Offer and confirm that to the best of our knowledge and belief, there are no other facts, the omission of which make any statement made in the Letter of Offer misleading and further confirm that we have made all reasonable enquiries to ascertain such facts.
- (10) All information shall be made available by the Lead Managers and the Issuer to the Investors at large and no selective or additional information would be available for a section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.
- (11) We shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If our Company does not receive minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date.

If there is a delay in the refund of subscription by more than eight days after our Company becomes liable to pay the subscription amount i.e. 15 days after the Issue Closing Date, our Company and every Director of our Company who is an officer in default will be liable to pay interest for the delayed period, as per the provisions of the Companies Act, 2013.

Important

- A. Please read the Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions and must be carefully followed; otherwise the application is liable to be rejected.
- B. All enquiries in connection with the Letter of Offer or accompanying CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholders as mentioned on the CAF and superscribed '**Tata Power - Rights Issue**' on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

[•]
- C. It is to be specifically noted that this Issue of Equity Shares is subject to the risk factors mentioned in the section "*Risk Factors*" on page XV.

The Issue will remain open for a minimum 15 days up to a maximum of 30 days.

SECTION IX – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried out by our Company or entered into more than two years prior to the date of this Letter of Offer), which may or may be deemed material have been entered or are to be entered into by our Company. These contracts together with the documents referred in para (B) below may be inspected at the registered office of our Company situated at Bombay House, 24, Homi Mody Street, Mumbai 400 001, India from 10 AM to 5 PM from the date of the Letter of Offer until the date of closure of the Issue, on Working Days.

A. Material Contracts

1. Issue agreement dated [●] amongst the Company, JM Financial Institutional Securities Limited, BNP Paribas and HSBC Securities & Capital Markets (India) Private Limited.
2. Memorandum of understanding dated [●] between the Company and the Registrar to the Issue.
3. Tripartite agreement amongst the Company, CDSL and the Registrar to the Issue dated [●].
4. Tripartite agreement amongst the Company, NSDL and the Registrar to the Issue dated [●].
5. Agreement between the Company and the Monitoring Agency dated [●].
6. Agreement between Escrow Collection Banks, Lead Managers, the Company and the Registrar to the Issue dated [●].

B. Material Documents for Inspection *[To be updated]*

1. Certificate of Incorporation of our Company dated September 18, 1919
2. Memorandum of Association and Articles of Association of our Company.
3. Resolution of the Board of Directors under section 81(1) of Companies Act dated February 27, 2014, authorising the Issue and related matters.
4. Resolution of the Committee for Rights Issue dated March 8, 2014, determining the terms of the Issue.
5. Shareholders' resolution passed at the AGM held on August 16, 2013, appointing [●], Chartered Accountants, as statutory auditors for FY 2014.
6. Copy of the resolution dated January 13, 2011 and the agreement dated August 25, 2011 with Mr. Anil Sardana, appointing him Managing Director of the Company for a term of 5 years.
7. Copy of the resolution dated January 4, 2013 and the agreement dated August 16, 2013 with Mr. S. Padmanabhan, appointing him as an Executive Director for a term of 5 years.
8. Consents of the Directors, Auditors, Lead Managers, Legal Advisors to the Issue, International Legal Advisors to the Lead Managers, Company Secretary and Compliance Officer, Escrow Collection Bank,

Monitoring Agency and Registrar, to include their names in this Letter of Offer and to act in their respective capacities.

9. Statement of tax benefits dated [●] received from [●], Chartered Accountants, regarding the special tax benefits available to the Equity Shareholders.
10. Annual reports of the Company for the last five years ended March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012 and March 31, 2013.
11. Auditors' report on the standalone financial statements dated May 30, 2013, by [●], Chartered Accountants, our statutory auditors for the financial year ended March 31, 2013.
12. Auditors' report on the consolidated financial statements dated May 30, 2013, by [●], Chartered Accountants, our statutory auditors for the financial year ended March 31, 2013.
13. Standalone and consolidated limited review financial statements as at and for the period ended [●] by [●], Chartered Accountants, our statutory auditors dated [●].
14. Standalone limited review financial statements as at and for the period ended [●] by [●], Chartered Accountants, our statutory auditors dated [●].
15. Certificate dated [●] from the Company as regards compliance with conditions enumerated in Para 1 of Part E under Schedule VIII of the SEBI ICDR Regulations.
16. Due Diligence certificate dated [●] by JM Financial Institutional Securities Limited, BNP Paribas and HSBC Securities & Capital Markets (India) Private Limited.
17. In-principle listing approvals for the Issue dated [●] and [●] from the BSE and NSE, respectively.
18. Application by Tata Power - G dated January 15, 2013, in terms of the order of the MERC dated August 9, 2012, for the second Control Period from FY 2012-13 to FY 2015-16.
19. Application by Tata Power - T dated October 10, 2012, in terms of the order of the MERC dated June 28, 2012, for the second Control Period from FY 2012-13 to FY 2015-16.
20. Application by Tata Power - D dated November 27, 2012, in terms of the order of the MERC dated August 26, 2012, for the second Control Period from FY 2012-13 to FY 2015-16.
21. Order dated June 5, 2013 with respect to the application made by Tata Power – G.
22. Order dated March 30, 2013 with respect to the application made by Tata Power – T.
23. Order dated June 28, 2013 with respect to the application made by Tata Power – D.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, and the Companies Act, 2013 (to the extent notified) and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, *etc.*, issued by Securities and Exchange Board of India, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

Mr. Cyrus P. Mistry Non-Executive Chairman	
Mr. R. Gopalakrishnan Non-Executive Director	
Dr. Homiar S. Vachha Independent Director	
Mr. Nawshir H. Mishra Independent Director	
Mr. Deepak M. Satwalekar Independent Director	
Mr. Piyush G. Mankad Independent Director	
Mr. Ashok K. Basu Independent Director	
Mr. Thomas Mathew T. Independent Director	
Ms. Vishakha Mulye Independent Director	
Mr. Anil Sardana Managing Director	
Mr. S. Padmanabhan Executive Director, discharging the finance function	

Place: Mumbai

Date: [●], 2014