

Tata Power's 100% subsidiary issues Notice for Redemption of USD 450 million Fixed To Floating Rate Subordinated Notes

National, 1st August, 2014: Bhira Investments Limited, a wholly owned subsidiary of the Tata Power Company Limited ("Company"), had issued USD 450 million Fixed to Floating Rate Subordinated Notes, in April 2011 ("Notes"). The Notes were secured by a Corporate Guarantee issued by the Company and were eligible for 50% equity credit by rating agencies.

Consequent to the changes to the treatment of the above notes in the rating methodology, Bhira has exercised its right to redeem the notes and has issued a notice for early redemption to the Trustee on 31st July, 2014. The record date for the redemption is proposed to be at September 1st, 2014.

The redemption will be financed by way of loans raised by Bhira, which is also being concurrently taken care of.

Mr. Anil Sardana, CEO and MD - Tata Power stated, "The redemption of the hybrid notes and replacing it with a cheaper funding option will lead to substantial interest savings for the Tata Power Group and this is in line with the Company's strategy to optimize its funding sources and lowering interest costs."

About Tata Power:

Tata Power is India's largest integrated power company with a growing international presence. The Company together with its subsidiaries and jointly controlled entities has an installed gross generation capacity of 8613 MW in India and a presence in all the segments of the power sector viz. Fuel Security and Logistics, Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. It has successful public-private partnerships in Generation, Transmission and Distribution in India namely "Tata Power Delhi Distribution Limited" with Delhi Vidyut Board for distribution in North Delhi, 'Powerlinks Transmission Ltd.' with Power Grid Corporation of India Ltd. for evacuation of Power from Tala hydro plant in Bhutan to Delhi and 'Maithon Power Ltd.' with Damodar Valley Corporation for a 1050 MW Mega Power Project at Jharkhand. Tata Power has developed the country's first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology. It is also one of the largest renewable energy players in India. Its international presence includes strategic investments in Indonesia through stake in the leading coal company PT Kaltim Prima Coal (KPC), 26% stake in mines at PT Baramulti Suksessarana Tbk ("BSSR") and a geothermal project; in Singapore through Trust Energy Resources to securitise coal supply and the shipping of coal for its thermal power generation operations; in South Africa through a joint venture called 'Cennergi' to develop projects in South Africa, Botswana and Namibia; in Australia through investments in enhanced geothermal and clean coal technologies and in Bhutan through a hydro project in partnership with The Royal Government of Bhutan. With its track record of technology leadership, project execution excellence, world class safety processes, customer care and driving green initiatives, Tata Power is poised for a multi-fold growth and committed to 'lighting up lives' for generations to come. Visit us at: www.tatapower.com

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