



2<sup>nd</sup> December 2011  
BJ/SH-L2/ 374

Bombay Stock Exchange Limited  
Corporate Relationship Department  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Bldg., P J Towers  
Dalal Street, Fort  
Mumbai 400 001.

Dear Sirs,

Standard and Poor's (S&P) Rating Services reaffirmed its 'BB-' long term corporate credit rating on Tata Power and 'BB-' rating on the Company's senior unsecured notes.

S&P revised the Outlook for Tata Power to stable from positive due to rising fuel costs at the company's Mundra project following a change in coal-export regulations in Indonesia. In S&P's view, this has reduced the upside for higher dividends to Tata Power on a consolidated basis. As a result, Tata Power's cash flow and financial risk profile are unlikely to improve as much as S&P had expected. The stable outlook reflects the predictability in Tata Power's operating cash flow due to its licensed businesses, stable operation and capacity that will come on stream in 12-18 months.

The Press Release issued by the Company is attached for your ready reference.

Yours faithfully,  
For The Tata Power Company Limited

  
(S.D. Farekh)  
General Manager-Finance

Encl.

**TATA POWER**

**The Tata Power Company Limited**

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TATA POWER

For immediate use only **PRESS RELEASE**

## Standard and Poor's reaffirms Tata Power 'BB-' Ratings Revises Outlook to 'Stable' from Positive

**Mumbai, December 2<sup>nd</sup>, 2011:** Standard and Poor's (S&P) Rating Services reaffirmed its 'BB-' long term corporate credit rating on Tata Power and 'BB-' issue rating on the Company's senior unsecured notes.

S&P's rating on Tata Power continues to reflect the positive demand outlook for electricity in India, Tata Power's good operating efficiency and the competitive position of the company's core licensed operations. In S&P's opinion these positives are tempered by the Company's aggressive financial risk profile, increasing exposure to competitive generation projects and residual completion risk at Mundra project.

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### About Tata Power:

*Tata Power is India's largest integrated private sector power utility with an installed generation capacity of about 3682 MW and a presence in all the segments of the power sector viz Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. The Company has successful public-private partnerships in Generation, Transmission and Distribution - "North Delhi Power 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 Tata hydro plant in Bhutan to Delhi and "Maithon Power Ltd." With Damodar Valley Corporation for a 1050 MW Mega Power Project at Jharkhand. It has acquired 30% stake in Coal Companies at Indonesia and is developing the first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on supercritical technology. With its track record of technology leadership, customer care and redefining contours of the Indian power sector, Tata Power is poised for a five-fold growth and committed to 'lighting up lives' for generations to come.*

Disclaimer Statement: Some of the statements in this document, except for the historical information, are forward-looking statements. These forward-looking statements include references to growth projections, plans, strategies, intentions and beliefs concerning our business and operating environment. There are risks, uncertainties and other factors that may cause actual results to differ materially from those projected by these forward-looking statements.

### For further information, please contact:

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Lighting up Lives!

