22nd July 2014
BJ/SH-L2/ 127

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Bldg, P. J. Towers
Dalal Street, Fort
Mumbai – 400 001.

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

Dear Sirs,

**Request for Stay by Procurers on CERC Orders dated 21.2.2014**

In reference to Tata Power's promoted Coastal Gujarat Power Limited (CGPL) which has an operating 4000 MW imported Coal based Ultra Mega Power Project (UMPP) at Mundra, Gujarat, the Procurers had filed for stay of the Central Electricity Regulatory Commission (CERC) order which had awarded compensatory tariff, with the Appellate Tribunal for Electricity (APTEL).

APTEL in their order yesterday has stated that they do not think that a *prima facie* case has been made out for their intervention at the interim stage for granting the stay of the Order in entirety as they have to decide the important issues raised.

The interim order directs the Procurer States to make electricity payments raised during and after March 2014 by Mundra UMPP as per the compensatory tariffs directed by the CERC. CGPL has to keep an account of the amount received by it from the Procurers as compensatory tariff until further notice. The next hearing of the matter is scheduled on 19th August 2014.

CGPL has been delivering the full potential of Mundra across the five beneficiary states despite incurring losses. CGPL will do its utmost to continue to honour its commitment towards the nation's energy security by providing reliable and competitive power supply through the project and hope for quicker resolution of the issues.

The indicative compensatory tariff of about INR 2.80 per unit is much lower and very competitive compared to the average purchase price in all five States and is also substantially lower than the current market rate for providing replacement power at a cost upwards of INR 4.10 per unit, which could leave all five states prone to load shedding. If Mundra UMPP were to be rendered unviable, the cost of purchasing replacement power would mean higher tariffs by at least INR 1 for all such States.

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

H M Mistry

(H. M. Mistry)
Company Secretary



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