28th January 2015
BJ/SH-L2/

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Bldg., PJ 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,

Binding understanding with NELCO to purchase NELCO's defence business

The Company has entered into a binding understanding with NELCO Ltd. to purchase NELCO's defence business of Unattended Ground Sensors (UGS) business on a slump sale basis for a total consideration of about ₹ 8.3 crore.

The UGS business involves supply, installation and servicing of sensors for the Ministry of Defence ("MoD"). On purchase, the UGS business will be housed in Tata Power's Strategic Engineering Division (SED), a division of Tata Power, which is also a supplier of defense equipment and solutions. Acquisition of the UGS business will provide synergies to the existing business of Tata Power SED and has scope for growth and expansion.

The transfer of the UGS business will be subject to approvals and consents of Defence Authorities as required under applicable law.

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

Yours faithfully,
For The Tata Power Company Limited

H. M. Mistry

(H. M. Mistry)
Company Secretary

Encl.

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TATA POWER

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for immediate use **PRESS RELEASE**

Tata Power enters into a binding understanding with NELCO to purchase NELCO's defence business

Mumbai, January 28, 2015 - Tata Power, India's largest integrated power company has entered into a binding understanding with NELCO Ltd. to purchase NELCO's defence business of Unattended Ground Sensors (UGS) business on a slump sale basis for a total consideration of about Rs. 8.3 crores.

The UGS business involves supply, installation and servicing of sensors for the Ministry of Defence ("MoD"). On purchase, the UGS business will be housed in Tata Power's Strategic Engineering Division (SED), a division of Tata Power, which is also a supplier of defense equipment and solutions. Acquisition of the UGS business will provide synergies to the existing business of Tata Power SED and has scope for growth and expansion.

The transfer of the UGS business will be subject to approvals and consents of Defence Authorities as required under applicable law.

On this development, Company Statement from **Tata Power** stated, "*The takeover of NELCO's UGS business segment further enhances our presence in the defense segment and provides synergy and alignment in servicing the customers.*"

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 [8623] 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 a 30% 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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For further information, please contact:

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