3rd March 2015
BJ/SH-L2/ 29

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
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Bandra (East)
Mumbai – 400 051.

Dear Sirs,

Commissioning of Unit 1 of 126 MW Dagachhu Hydro project in Bhutan

The Company has successfully commissioned 63 MW sized Unit 1 of its 126 MW Dagachhu Hydro project in Bhutan. This project is in line with Tata Power's commitment to commission 120 MW of new Hydro Power Project this year as part of the centenary year celebration theme of Invisible Goodness, and is the first cross border project registered under UNFCCC's Clean Development Mechanism (CDM).

The Dagachhu project is a Joint Venture initiative between Tata Power and Druk Green Power Corporation, owned by Royal Government of Bhutan (RGoB), and National Pension & Provident Fund of Bhutan. With the commissioning of the project, Tata Power's total hydro generation capacity today stands at 513 MW and overall capacity at 8684 MW.

The Dagachhu Project is 126 MW (2x63 MW) run of river hydro project located in Dagana Dzongkhag, Bhutan.

Dagachhu Hydro Power Corporation has entered into a 25 year Power Purchase Agreement with Tata Power Trading Company Limited (TPTCL, a company of Tata Power) for sale of power from the project. The power generated from the project shall be sold by TPTCL in the Indian power market.

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

TATA

for immediate use **PRESS RELEASE**

Tata Power announces commissioning of Unit 1 of 126 MW Dagachhu Hydro project in Bhutan

- ***In line with Company's commitment to commission 120 MW of new Hydro Power Project during the centenary year***
- ***First cross border project registered under UNFCCC's Clean Development Mechanism***

National, 3rd March, 2015: Tata Power, India's largest integrated power company has successfully commissioned **63 MW sized Unit 1** of its 126 MW Dagachhu Hydro project in Bhutan. This project is in line with Tata Power's commitment to commission 120 MW of new Hydro Power Project this year as part of the centenary year celebration theme of Invisible Goodness, and is the first cross border project registered under UNFCCC's Clean Development Mechanism (CDM).

The Dagachhu project is a Joint Venture initiative between Tata Power (and Druk Green Power Corporation, owned by Royal Government of Bhutan (RGoB), and National Pension & Provident Fund of Bhutan. With the commissioning of the project, Tata Power's total hydro generation capacity today stands at 513 MW and overall capacity at 8684 MW.

The Dagachhu Project is 126 MW (2x63 MW) run of river hydro project located in Dagana Dzongkhag, Bhutan. The commercial flow of energy generated from the Dagachhu project to India officially started at 00:30 hours in the morning (Bhutan time) of 21th February 2015. The test run for the second unit of 63 MW will also be immediately started and expected to be completed soon.

DHPC has entered into a 25 year Power Purchase Agreement (PPA) with Tata Power Trading Company Limited (TPTCL, a company of Tata Power) for sale of power from the project. The power generated from the project shall be sold by TPTCL in the Indian power market.

Speaking on the occasion, Mr. Anil Sardana, CEO and Managing Director, Tata Power, said, "*We are delighted to announce the commissioning of the Dagachhu hydro project in Bhutan. Hydro power is an intrinsic part of our clean energy mix and we aim to develop new Hydro project of yet another 450 MW this year. We are committed to reducing our carbon footprint through the generation of 20-25 per cent of our total capacity through clean and renewable energy sources. We would like to thank the Royal Government of Bhutan, Druk Green Power Corporation, Ministry of External Affairs of Bhutan & India, Ministry of Power, GoI and all the stakeholders, for the support extended in setting up this project in Bhutan.*"

Mr. Chhewang Rinzin, Chairman, DHPC, and Managing Director, DGPC, said, "*The 126 MW Dagachhu project is the first hydroelectric project that has been successfully completed under a Bhutanese management. This is the first public private partnership project that showcased the very successful participation of Tata Power Company in Bhutan's hydropower sector with Tata Power Trading Company offtaking the energy to India. The Dagachhu project is also the first cross-border CDM project that has led to other projects being cleared under the Clean Development Mechanism. The main*

promoter, ADB, has been very happy with the implementation of the Dagachhu project, and has agreed to finance the 118 MW Nikachhu project and also expand on ADB's involvement in Bhutan's hydropower sector. For Bhutan, the successful completion of the Dagachhu project has given confidence of its own internal capabilities in developing such projects and plans to continue to build its human capital through implementation of similar and larger projects. For the management team, it has been a huge relief to have finally commissioned the first unit. Druk Green hopes to achieve similar successes with its future projects and would like to thank the Tata Power and Tata Power Trading for helping Dagachhu project to achieve its commissioning."

This commissioning of the project marks a significant milestone on the 35th birth anniversary of His Majesty, the King of Bhutan and also Tata Power's centenary year celebration of commissioning of its first hydro-unit in 1915 at Khopoli.

The projects is the first public-private partnership in infrastructure investment in Bhutan with participation from multiple Bhutanese and international stakeholders. Thus, Dagacchu Hydro Project serves as a model for other countries- particularly those with low GHG-emitting grid- to harness the benefits of CDM towards enhancing the socioeconomic development of the country while meeting the escalating energy demand in a sustainable way.

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 [8621] 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

For further information, please contact:

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