



9th July 2012
BJ/SH-L2/121

Bombay Stock Exchange 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, Block "G"
Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051.

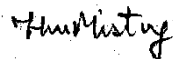
Dear Sirs,

Tata Power's 'BB-' rating affirmed by Standard & Poor's (S&P).
Outlook revised from stable to negative

Standard & Poor's Ratings Services (S&P) affirmed its 'BB-' long-term corporate credit rating on Tata Power and its 'BB-' issue rating on the Company's senior unsecured notes. At the same time, it revised its outlook on Tata Power to negative from stable.

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

Yours faithfully,
For The Tata Power Company Limited


(H M Mistry)
Company Secretary

Encl.

TATA POWER

The Tata Power Company Limited
Registered Office: Bombay House, 24 Horni Mody Street, Mumbai 400 001
Tel 91 22 6665 8282 Fax 91 22 6665 8801

TATA POWERFor immediate use only **PRESS RELEASE**

Tata Power's 'BB-' rating affirmed by Standard & Poor's (S&P), Outlook revised from stable to negative

Company responds to S&P's outlook revision

Mumbai, 9th July 2012: Standard & Poor's Ratings Services (S&P) affirmed its 'BB-' long-term corporate credit rating on Tata Power and its 'BB-' issue rating on the Company's senior unsecured notes. At the same time, it revised its outlook on Tata Power to negative from stable.

S&P's may lower the rating on Tata Power if:

1. The Company is unable to secure a waiver from its lenders on the breach of covenant; or,
2. An increase in expenditures due to the Mundra project or otherwise substantially weakens Tata Power's financial risk profile. A ratio of funds from operations to adjusted debt of less than 10% on a sustainable basis would indicate such deterioration.

S&P could revise the outlook to stable if Tata Power:

1. Secures the necessary waiver, and construction at the Mundra project continues as planned and within budget;
2. Faces no material deterioration in its business and sustainably maintains its financial risk profile, such that its ratio of funds from operations to adjusted debt is 10%-12%.

To provide protection to CGPL and support its cash flows, Tata Power has already proposed to transfer atleast 75% of its equity interest in the Indonesian Coal mines and also continues to evaluate other alternative options. The Company has been in advanced discussions with the lenders to finalize structure for transferring coal SPV dividends and the process is expected to take 3-6 months. CGPL has also made a request to the lenders for certain waivers including those pertaining to financial covenants and the same is under consideration.

Commenting on this, **Mr S Ramakrishnan, Executive Director (Finance)** said, "To support CGPL's cash flows, the Company has been in advanced discussions with the lenders to finalise structure for transferring coal SPV dividends. The matter is under consideration by the lenders for approving waivers in certain cases. Given the technical nature of the covenant breaches comprising mainly non-cash entries like impairment and forex costs, we believe our request should get favourable consideration. Further, the covenant breaches do not constitute a payment default."

About Tata Power:

Tata Power is India's largest Integrated power company with a significant international presence. The Company has an installed generation capacity of 5299 MW in India and a presence in all the segments of the power sector viz 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. It is one of the largest renewable energy players in India and is developing country's first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology. Its international presence includes strategic investments in Indonesia through 30% stake in coal mines 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 'Cennerg' 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:

Shalini Singh
Head, Corporate Communications
The Tata Power Company Limited
Phone: 6665 8748
Email: shalinis@tatapower.com

Devraj Uchil / Lennon D'Souza
Rediffusion / Edelman
022 43530210 / 9619763172
devraj.uchil@edelman.com /
lennon.dsouza@edelman.com

Lighting up Lives!

