December 3, 2018

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Bldg., P. J. Towers
Dalal Street, Fort
Mumbai – 400 001.
Scrip Code: **500400**

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

Dear Sirs,

Mundra Ultra Mega Power Project - Revised

The Company welcomes the resolution by the Government of Gujarat to accept the recommendations of the High Power Committee in giving some relief to Mundra Ultra Mega Power Project that meets nearly **15%** of Gujarat's requirement of power at a very reasonable cost. This relief will help Coastal Gujarat Power Ltd to continue its operations to meet its obligations to all the five beneficiary States. Though the coal cost is now a pass through, the Company would continue to make losses due to rebate on financing cost and coal mines profit is being passed on to the beneficiary States. We expect to get the consent of other four procurer States based on the to the recommendations of the High Power Committee's and thereafter amendment to the PPAs so as to seek necessary approvals from CERC as per the directions of the Hon'ble Supreme Court.

This positive step is in the interest of all stakeholders, including the end consumers, who get 24/7 reliable electricity supply from CGPL power plant. In case these projects were shut down, replacing such huge capacity with alternate sources from the market would not be feasible as the short-term market prices are not only much higher and volatile, the availability of power is uncertain. Also, establishing new imported/indigenous coal-based power plants would have significantly higher fixed and variable costs and high gestation period and hence, would not offer any solution to immediate power requirement.

The earlier letter of even date inadvertently mentioned that the Mundra Ultra Mega Power Project meets nearly 23% of Gujarat's requirement of power, which letter may kindly be discarded.

This is for your information.

Yours faithfully,
For The Tata Power Company Limited

Company Secretary

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