

Independent Auditor's Report on Computation of Ratios and other Information as at September 30, 2018 under Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for submission to Centbank Financial Services Limited (the 'Debenture Trustee')

To
The Board of Directors
The Tata Power Company Limited
Bombay House,
24 Homi Mody Street,
Mumbai 400 001

1. This report is issued in accordance with the terms of the service scope letter dated October 29, 2018 and master engagement agreement dated September 11, 2017 with The Tata Power Company Limited (hereinafter the "Company").
2. At the request of the Company, we have examined the accompanying Statement of Ratios and other Information including annexures as at September 30, 2018, (hereinafter the "Statement"), prepared by the management pursuant to the requirements of Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended to date, to the extent applicable (hereinafter the "SEBI Regulations") from the audited standalone financial results and other relevant records and documents maintained by the Company as at and for the half year ended September 30, 2018, and has been initialled for identification purpose only.

Management's Responsibility

3. Management is responsible for :
 - I. the preparation of the Statement including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
 - II. the computation of ratios and other Information as mentioned in the Statement for the purpose of submission to the Debenture Trustee of the following Secured Redeemable Non-Convertible Debentures ("NCDs"):
 - a. 9.15% Non- Convertible Debentures - Face Value of 250 Crores
 - b. 9.15% Non- Convertible Debentures - Face Value of 350 Crores
 - III. complying with the requirement of SEBI Regulations and providing all relevant information to Debenture Trustee.



The Tata Power Company Limited

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Auditor's Responsibility

4. It is our responsibility is to provide reasonable assurance in the form of an opinion whether the amounts in the Statement have been accurately extracted from the audited books of accounts and underlying records and the computation of ratios is arithmetically correct.
5. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statement, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
8. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria, mentioned in paragraph 4 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the reporting criteria. Accordingly, we have performed the following procedures in relation to the Statement:
 - I. Reviewed the Debenture Trust deed, the signed version of which was made available to us, for the terms provided. Further, it has been represented to us that there have been no amendments to the same which can affect the computation of ratios and other Information. We have relied on the same and performed no independent procedure in this regard.
 - II. Traced and agreed the amounts in the attached Statement, to the audited standalone financials results of the Company as at and for the half year ended September 30, 2018 as referred in paragraph 9 below and underlying records maintained by the Company.
 - III. Examined and verified the arithmetical accuracy of the Information disclosed in the accompanying Statement as prepared by the Company.
 - IV. Obtained other necessary representations from management.



The Tata Power Company Limited

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9. We audited the standalone financial results of the Company as at and for the half year ended September 30, 2018, on which we issued an unmodified audit opinion vide our report dated October 29, 2018. Our audit of those standalone financial results were conducted in accordance with the Standards on Auditing, and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free of material misstatement.
10. We did not perform any tests to ensure the legality or otherwise of interpretation of the definitions provided for the various items used in calculation of ratios specified in the Statement. Such interpretation and information is solely the responsibility of the management. We have relied solely on management's representations in relation to those matters.

Opinion

11. Based on the procedures performed by us, and according to information and explanation received and representation obtained, in our opinion the figures contained in Statement read together with Annexures and the notes thereon, have been appropriately extracted from books of accounts and underlying records maintained by the Company and is mathematically accurate and the information disclosed in the Statement, in all material respects, is in accordance with Regulation 52(4) of SEBI Regulations.


Restriction on Use

12. The report is addressed to and provided to the Board of Directors of the Company solely for purpose of submission to the Debenture Trustee of the above mentioned NCDs and should not be used by any other person or for any other purpose or distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003


per Pramod Kumar Bapna
Partner

Membership Number: 105947

Place of Signature: Mumbai

Date: November 2, 2018





The Tata Power Company Limited
Statement of Ratio and other Information as at September 30, 2018

Information as at September 30, 2018 pursuant to Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended September 30, 2018.

| Sr No. | Particulars | September 30, 2018 |
|--------|--|--------------------|
| 1 | Asset Cover Ratio | |
| | a) 9.15% Non Convertible Debentures - Face Value 250 Crores (Refer Annexure 1) | 3.84 |
| | b) 9.15% Non Convertible Debentures - Face Value 350 Crores (Refer Annexure 2) | 1.21 |
| 2 | Debt Equity Ratio (Refer Note i and iii) | 1.17 |
| 3 | Previous due dates for the payment of interest and repayment of Principal of Non-Convertible Debentures ("NCDs") | |
| | a) 9.15% Non Convertible Debentures - Face Value 250 Crores | 9/17/2018 |
| | b) 9.15% Non Convertible Debentures - Face Value 350 Crores | 7/23/2018 |
| 4 | Interest and principal has been paid on previous due dates | |
| | a) 9.15% Non Convertible Debentures - Face Value 250 Crores | Yes |
| | b) 9.15% Non Convertible Debentures - Face Value 350 Crores | Yes |
| 5 | Next due date and amount of payment of interest and repayment of Principal of NCDs (Refer Annexure 3) | - |
| 4 | Debt Service Coverage Ratio (in times) [Refer Note i] | |
| | with Exceptional Item | 0.97 |
| | without Exceptional Item | 0.54 |
| 5 | Interest Service Coverage Ratio (in times) [Refer Note i] | |
| | with Exceptional Item | 3.45 |
| | without Exceptional Item | 1.71 |
| 6 | Outstanding redeemable preference shares | Nil |
| 7 | Capital Redemption reserve (in Crores) | 1.85 |
| 8 | Debenlure Redemption reserve (in Crores) | 1,000.61 |
| 9 | Net worth (as defined in Companies Act, 2013) (in Crores) [Refer Note ii] | 12,677.43 |
| 10 | Net Profit after tax for the half year ended September 30, 2018 (excluding Other Comprehensive Income) (in Crores) | 1,399.14 |
| 11 | Earnings per share (Basic and Diluted) | |
| | From Continuing Operations excluding Regulatory Income/(Expense) | 5.20 |
| | From Continuing Operations including Regulatory Income/(Expense) | 5.21 |
| | From Discontinued Operations | (0.25) |
| | From Total Operations including Regulatory Income/(Expense) | 4.96 |

Note i Certain terms have not been defined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the respective Debenture trust deeds dated 15th December 2010 and 19th October 2018 as amended to date. Hence, the following respective definitions have been considered for the purpose of computation of ratio and other information:

- a) Debt : Debt means long term borrowings (including current maturity of long term borrowings) and Short term borrowings outstanding as per the latest audited balance sheet.
- b) Equity : Equity includes Issued share capital, other Equity and Unsecured perpetual securities.
- c) Debt Service Coverage Ratio = (Profit before tax + interest expenses + depreciation and amortization expenses) / (interest expenses + scheduled principal repayment of long - term loans)#
- d) Interest Service Coverage Ratio = (Profit before tax + interest expenses) / Interest Expenses
- # For the purpose of computation, scheduled principal repayment of long - term loans does not include pre-payments including pre-payments including prepayment by exercise of call/put option.

Note ii Net Worth has been computed on the basis as stated in Clause 2 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

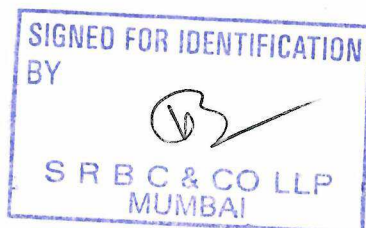
Note iii Unsecured Perpetual non-convertible debentures of ₹1,500 crore issued by the Company are perpetual in nature and rank senior only to the share capital of the Company and the Company does not have any redemption obligation. Accordingly, these are considered as part of Equity under generally accepted accounting principles in India and are not classified as Borrowings in the audited standalone financial results as at half year ended September 30, 2018. Accordingly, the same has been considered as equity in the above computation.

For and on behalf of The Tata Power Company Limited

Soundararajan Kasturi
Chief- Corporate Treasury & Investor Relations
Authorised Signatory

Place: Mumbai

Date: - 2 NOV 2018



TATA POWER

The Tata Power Company Limited

Corporate Strategic Finance & Treasury Corporate Centre Block 'B' 34 Sant Tukaram Road Carnac Bunder Mumbai 400 009

Tel 91 22 6717 1000 Fax 91 22 6717 1334

Registered Office Bombay House 24 Homi Mody Street Mumbai 400 001

Website : www.tatapower.com Email : tatapower@tatapower.com CIN : I28920MH1919PLC000567



The Tata Power Company Limited
Annexure 1
Computation of Assets Cover Ratio as at September 30, 2018
Visapur, Poolavadi and Agaswadi Windmills
9.15% Series 2025 Non- Convertible Debentures - Face Value 250 Crores

| | Particulars | Rs. in crore |
|-----------|--|---------------|
| A. | <u>Secured Assets - Visapur, Poolavadi and Agaswadi windmills</u> | |
| | Written Down value of the Fixed Assets | 465.18 |
| | Leasehold land | 3.23 |
| | Secured Assets (A) | 468.41 |
| B. | <u>Secured Loans - Visapur, Poolavadi and Agaswadi windmills.</u> | |
| | 9.15% Secured, Redeemable, Non - Convertible Debenture | 122.00 |
| | Secured Loans (B) | 122.00 |
| | Asset Cover Ratio (A/B) (Refer Note 1) | 3.84 |

Note :

1 Assets Cover Ratio has not been defined in Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Debenture Trust Deed dated 15th December, 2010 as amended to date. Hence, the following definition has been considered for the purpose of computation of Asset Cover Ratio:

i Secured Assets: Written Down Value of the secured assets including leasehold land for 9.15% Series 2025 Non-Convertible Debentures (Face Value 250 Crores) as per the latest audited standalone balance sheet excluding assets revaluation in accordance with the Clause 2(B) of the Debenture Trust Deed dated 15th December, 2010 as amended from time to time.

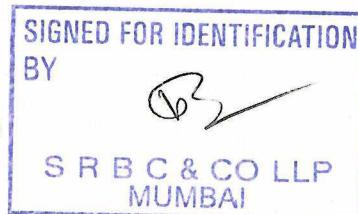
ii Secured Loans: Outstanding value for 9.15% Series 2025 Non- Convertible Debentures (Face Value 250 Crores) as per the latest audited balance sheet.

For and on behalf of The Tata Power Company Limited


Soundararajan Kasturi
Chief- Corporate Treasury & Investor Relations
Authorised Signatory

Place: Mumbai

Date: - 2 NOV 2018



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The Tata Power Company Limited
Annexure 2

Computation of Asset Cover Ratio as at September 30, 2018

Samana and Gadag Windmills

9.15% Series 2025 Non- Convertible Debentures - Face Value 350 Crores

| Particulars | Rs. in crore |
|---|---------------|
| A. Secured Assets - Samana and Gadag windmills | |
| Written Down value of the Fixed Assets | 179.73 |
| Leasehold land | 1.06 |
| Secured Assets (A) | 180.78 |
| B. Secured Loans - Samana and Gadag windmills | |
| 9.15% Secured, Redeemable, Non - Convertible | 150.00 |
| Secured Loans (B) | 150.00 |
| Asset Cover Ratio (A/B) (Refer Note 1) | 1.21 |

Note :

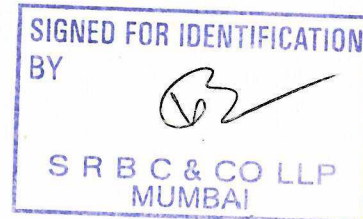
1 Assets Cover Ratio has not been defined in Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Debenture Trust Deed dated 19th October, 2010 as amended to date. Hence, the following definition has been considered for the purpose of computation of Asset Cover Ratio:

i Secured Assets: Written Down Value of the secured assets including leasehold land for 9.15% Series 2025 Non- Convertible Debentures (Face Value 350 Crores) as per the latest audited standalone balance sheet excluding assets revaluation in accordance with the Clause 2(B) of the Debenture Trust Deed dated 19th October, 2010

ii Secured Loans: Outstanding value for 9.15% Series 2025 Non- Convertible Debentures (Face Value 350 Crores) as per the latest audited balance sheet.

For and on behalf of The Tata Power Company Limited

Soundararajan Kasturi
Chief- Corporate Treasury & Investor Relations
Authorised Signatory



Place: Mumbai

Date: - 2 NOV 2018

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The Tata Power Company Limited

Annexure 3

Details of Next due dates for 9.15% Series 2025 Secured Debentures - Principal and Interest

(Rs. Crore)

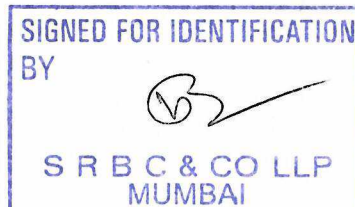
| Sr. No. | ISIN No. | Debenture Series (Face Value 250 crores) | Outstanding as on 30.09.2018 | Next Principal Amount | Next Interest Amount | Next due date falling after 30.09.2018 | |
|-------------------------------------|--------------|---|------------------------------------|--------------------------|-------------------------|---|-----------|
| | | | | | | Principal | Interest |
| 1 | INE245A07358 | 9.15% Secured, Redeemable Non Convertible Debentures | 16.00 | 16.00 | 1.46 | 17-Sep-19 | 17-Sep-19 |
| 2 | INE245A07366 | 9.15% Secured, Redeemable Non Convertible Debentures | 16.00 | 16.00 | 1.46 | 17-Sep-20 | 17-Sep-19 |
| 3 | INE245A07374 | 9.15% Secured, Redeemable Non Convertible Debentures | 16.00 | 16.00 | 1.46 | 17-Sep-21 | 17-Sep-19 |
| 4 | INE245A07382 | 9.15% Secured, Redeemable Non Convertible Debentures | 16.00 | 16.00 | 1.46 | 17-Sep-22 | 17-Sep-19 |
| 5 | INE245A07390 | 9.15% Secured, Redeemable Non Convertible Debentures | 16.00 | 16.00 | 1.46 | 17-Sep-23 | 17-Sep-19 |
| 6 | INE245A07408 | 9.15% Secured, Redeemable Non Convertible Debentures | 16.00 | 16.00 | 1.46 | 17-Sep-24 | 17-Sep-19 |
| 7 | INE245A07416 | 9.15% Secured, Redeemable Non Convertible Debentures | 26.00 | 26.00 | 2.38 | 17-Sep-25 | 17-Sep-19 |
| Total Outstanding as on 30-Sep-2018 | | | 122.00 | | 11.16 | | |

(Rs. Crore)

| Sr. No. | ISIN No. | Debenture Series (Face Value 350 crores) | Outstanding as on 30.09.2018 | Next Principal Amount | Next Interest Amount | Next due date falling after 30.09.2018 | |
|-------------------------------------|--------------|---|------------------------------------|--------------------------|-------------------------|---|-----------|
| | | | | | | Principal | Interest |
| 1 | INE245A07200 | 9.15% Secured, Redeemable Non Convertible Debentures | 25.00 | 25.00 | 2.29 | 23-Jul-19 | 23-Jul-19 |
| 2 | INE245A07218 | 9.15% Secured, Redeemable Non Convertible Debentures | 25.00 | 25.00 | 2.29 | 23-Jul-20 | 23-Jul-19 |
| 3 | INE245A07226 | 9.15% Secured, Redeemable Non Convertible Debentures | 20.00 | 20.00 | 1.83 | 23-Jul-21 | 23-Jul-19 |
| 4 | INE245A07234 | 9.15% Secured, Redeemable Non Convertible Debentures | 20.00 | 20.00 | 1.83 | 23-Jul-22 | 23-Jul-19 |
| 5 | INE245A07242 | 9.15% Secured, Redeemable Non Convertible Debentures | 20.00 | 20.00 | 1.83 | 23-Jul-23 | 23-Jul-19 |
| 6 | INE245A07259 | 9.15% Secured, Redeemable Non Convertible Debentures | 20.00 | 20.00 | 1.83 | 23-Jul-24 | 23-Jul-19 |
| 7 | INE245A07267 | 9.15% Secured, Redeemable Non Convertible Debentures | 20.00 | 20.00 | 1.83 | 23-Jul-25 | 23-Jul-19 |
| Total Outstanding as on 30-Sep-2018 | | | 150.00 | | 13.73 | | |

For and on behalf of The Tata Power Company Limited

Soundararajan Kasturi
Chief- Corporate Treasury & Investor Relations
Authorised Signatory



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