

Rating Rationale

November 21, 2023 | Mumbai

The Tata Power Company Limited

Rating outlook revised to 'Positive'; Ratings Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.18583.16 Crore
Long Term Rating	CRISIL AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)

Rs.82 Crore (Reduced from Rs.118 Crore) Non Convertible Debentures	CRISIL AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Rs.1000 Crore Non Convertible Debentures	CRISIL AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Rs.500 Crore Non Convertible Debentures	CRISIL AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Rs.1000 Crore Non Convertible Debentures	CRISIL AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Rs.2000 Crore Non Convertible Debentures	CRISIL AA/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Rs.9000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has revised its outlook on the long-term bank facilities and non convertible debentures of The Tata Power Company Limited (Tata Power) to **'Positive'** from 'Stable' while reaffirming its rating at **'CRISIL AA'**. The rating on Tata Power's commercial paper programme and short-term bank facilities has been reaffirmed at 'CRISIL A1+'.

The revision in outlook reflects the possibility of better-than-expected business risk profile if the improvement in operating profitability in fiscal 2024, across power generation and distribution business, sustains along with a continuing healthy financial performance with consolidated net leverage (ratio of net debt^[1] to adjusted earnings before interest, tax, depreciation and amortization--Ebitda) remaining within rating threshold.

The increase in operating profitability of Tata Power since fiscal 2023 is mainly on account of better profitability of its Mundra Ultra Mega Power Project (Mundra plant), improved efficiency in Odisha discom business and continued growth in renewable energy (RE) business with steady capacity addition. Profitability during last fiscal was also supported by higher margins in overseas coal mining business amid elevated coal prices.

Going forward, increased scale of operations, improving operating efficiency and steady cash creation in thermal generation and regulated business is expected to support strong operating cash accrual. This would be despite an expected reduction in earnings from coal mining business, amid lower coal prices this fiscal. Furthermore, increasing the level of integration in the RE business by setting up in-house module manufacturing and engineering, procurement and construction (EPC) business lends support.

Overall, CRISIL Ratings expects Tata Power's consolidated adjusted Ebitda^[2] to be more than Rs 12,000 crore each in fiscals 2024 and 2025 (was around Rs 11,500 crore in fiscal 2023 and around Rs 9,600 crore in fiscal 2022). Adjusted Ebitda was reported at Rs 6,694 crore in the first half of fiscal 2024.

The 'Positive' outlook also reflects the possibility of consolidated financial leverage^[3] (net debt to adjusted Ebitda) sustaining below the rating threshold of 3.8-4.0x (consolidated leverage has already reduced from ~ 4.5 times in fiscal 2022 to 3.8 times in fiscal 2023). CRISIL Ratings notes the company's capital expenditure (capex) plans (mainly towards RE and distribution business) over the medium term. However, CRISIL understands that addition in debt is not expected to be more than ~50% of total additional capex incurred during the year. Further, expectation of strong operating cash generation (with share of more than 80% from regulated distribution and steady generation business), is expected to sustain consolidated net leverage comfortably below 3.8-4.0x over the medium term and could result in rating upgrade.

CRISIL Ratings also notes the presence of large cash balance in Tata Power's Odisha distribution business, however, the same has not been considered for net debt computation at this point as the cash is encumbered against customer deposits. In case, the said cash is allowed by the regulator to be used by the company to meet its funding requirements in the future, it will reduce the dependence on external financing and would further improve the company's leverage and liquidity profile.

The ratings also factor in the strong financial flexibility of Tata Power, aided by being a part of the Tata group. Further, financial flexibility of Tata Power is supported by its demonstrated ability to raise strategic growth funds (raised ~ Rs 4,000 crore during fiscal 2023 by selling stake of ~ 10% in RE business). The same provides support towards achieving the targeted capex plans while keeping leverage levels within the rating threshold.

Overall, CRISIL Ratings expects healthy margins from Tata Power's regulated and stable business to improve further on account of increase in growth capex, leading to healthy cashflows to support debt for the said capex along with sustenance of consolidated net leverage. Same shall be key monitorables also.

CRISIL Ratings has withdrawn its ratings on Rs 36 crore of non-convertible debentures as the same were redeemed. The withdrawal is in line with CRISIL Ratings' withdrawal policy (See Annexure 'Details of rating withdrawn' for details). CRISIL Ratings has received independent confirmation and other relevant documents that these instruments are fully redeemed.

^[1]Net debt means gross consolidated debt adjusted for unencumbered cash and equivalents (changed from earlier approach wherein net debt included adjustment for entire cash and equivalents from consolidated gross debt)

^[2]Adjusted Ebitda means consolidated operating profit of India businesses along with share of profits from joint ventures and associates (changed from earlier approach wherein adjusted Ebitda included share of Ebitda from joint ventures and associates, included overseas businesses).

^[3]As per earlier approach for calculating net debt and adjusted Ebitda, financial leverage would have been 2.8 times in fiscal 2023 and 3.4 times in fiscal 2022.

Analytical Approach

CRISIL Ratings has used a combination of full and proportionate consolidation of Tata Power companies.

CRISIL Ratings has fully consolidated the subsidiaries of Tata Power because these entities form the core of the company's business. These include Tata Power's Delhi Distribution Company Ltd (rated 'CRISIL A1+'); Maithon Power Ltd (MPL; rated 'CRISIL AA/Positive/CRISIL A1+'); Tata Power Renewable Energy Ltd (TPREL; rated 'CRISIL AA/Positive/CRISIL A1+') Powerlinks Transmission Ltd (CRISIL AAA/Stable), Tata Power Trading Company Ltd; Industrial Energy Ltd; and the special-purpose vehicles formed for the acquisition of coal entities in Indonesia, including Bhira Investments, Bhivpuri Investments and Khopoli Investments.

CRISIL Ratings has also proportionately consolidated the share in profit after tax* (PAT) for certain joint ventures and associate companies to the extent of Tata Power's shareholding in them, to reflect support to the extent of its interests in these businesses. These companies include coal-operating entities in Indonesia: 30% in PT Kaltim Prima Coal and 26% in PT Baramulti Suksessarana Tbk.

CRISIL Ratings has treated Tata Power's investment in Prayagraj Power Generation Co Ltd (Prayagraj) as a financial investment, given the minority stake held in the platform company, Resurgent Ventures Power Ventures Pte Ltd (Resurgent).

*Changed from earlier approach of adding proportionate share in Ebitda

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation

Key Rating Drivers & Detailed Description

Strengths:

Stable cash accrual from regulated and renewable businesses

Tata Power earns ~80% of Ebitda from its regulated and renewable businesses, such as power generation including Mundra plant and distribution in Mumbai, power distribution in New Delhi, the 1050 megawatt (MW) capacity of MPL, and its transmission businesses. The balance life of the power purchase agreement (PPA) for generation assets, including MPL, Mundra plant and the renewable portfolio, spans more than 15 years, thus offering strong revenue visibility. Further, Mundra plant has been operating under Section 11 arrangement, which has been extended till June 2024. Furthermore, supplementary PPAs are also under discussion for the Mundra plant. The PPA of the power generation business for Mumbai (Trombay assets for around 930 MW) is valid till fiscal 2024 and is expected to get extended given the electricity demand. Distribution licenses with fixed returns (RoE) for Mumbai, Delhi and Odisha are valid for another 15, 6 and 22 years, respectively. Significant improvement has been witnessed in operating efficiency of Odisha Discoms, surpassing AT&C targets set by the regulator for fiscal 2023. On the renewable side, current generation capacity is ~7.5 gigawatt (GW) with ~4.2 GW operational and balance under construction. The remaining PPA life of more than 12-15 years and tie-up of long-term PPAs provide visibility for steady income over the medium term. Further, with backward integration in solar module manufacturing and decline in imported module prices, high order execution of engineering, procurement and construction (EPC) contracts and generation capacities is expected to materialize over the medium term. The proportion of cash flow from the regulated and renewable businesses is expected to remain constant, driven by the company's focus on adding new licenses in the distribution sector and renewable generation segment.

Diversified business risk profile with presence across renewable, generation, transmission, and distribution businesses and across energy types

Tata Power had around 12.4 GW of capacity as on November 10, 2023 (excluding 1,980 MW of Prayagraj Power Generation Co Ltd), including its thermal and clean energy generation businesses, which include around 4.2 GW (operational capacity) of renewable energy capacity through TPREL and Walwhan Renewable Energy Limited. Its presence across the value chain of the power sector (generation, transmission and distribution, power trading, as well as fuel supply [imported coal mining and shipping]) cushions it from project-specific issues and helps achieve operating efficiency and better working capital management at the group level. Further, commissioning of solar module manufacturing capacity under TP Solar (Tata Power's step-down subsidiary) will further mitigate risks related to project execution as the company focuses on growing in renewable space.

Strong financial flexibility

Financial flexibility is strong, characterised by stable and healthy cash accrual from the existing businesses and adequate liquidity. Though there are sizeable repayments due over near to medium term but past trends of timely refinancing supported by being a part of the Tata group, which increases the accessibility to the capital market and the banking system, provides comfort. Tata Group has a 46.86% shareholding in Tata Power and the latter is recognised as one of the flagship companies. Further, Tata Power has demonstrated its ability to raise funds (sold a minority stake in RE business while TPCL still holds ~90% in RE business) to support its business, which also aids its financial flexibility.

Weaknesses:

Unviable project economics of Mundra plant in the past, plant operations and profitability supported by Section 11 of Electricity Act

Losses incurred by the Mundra plant (previously housed under CGPL and merged into Tata Power on March 31, 2022) on account of unviable project economics adversely impacted Tata Power's operating earnings during the past few years. Mundra's under-recoveries of fuel cost are primarily on account of the non-escalable variable charges component in the tariff. Mundra plant has made efforts to improve operating efficiency and minimise under-recoveries by procuring coal from various sources. Coal mines in Indonesia offer a partial natural hedge to Mundra plant's operations. While profits from overseas coal mining companies helped in supporting under recoveries for Mundra plant in fiscals 2022 and 2023, higher operating rates of the plant under continued extension of Section 11 arrangement (since May 2022) with full variable cost pass through (except its share of profit of procurement of coal from own mines) has helped improve operating profitability of the plant since last fiscal.

Mundra plant is also in discussions with counterparties for finalising the long-term supplementary PPAs with expected full fuel cost pass through mechanism. However, progress in finalization of supplementary PPAs with counterparties will remain a key monitorable.

Moderate leverage, expected to remain comfortable in the near-to-medium term despite healthy capex plans

With consolidated net leverage and gearing of around ~3.8* and ~1.5 times respectively, Tata Power has a moderate capital structure, as on March 31, 2023. Although, Tata Power has healthy capex plans over the medium term, with planned capex of around of Rs 12000 crore in fiscal 2024, it is expected to be funded in debt: equity mix of 1:1 or better. Further, the capex is also expected to support the growth in operating profitability over the medium term with likely increase in scale of operations and integration levels. Thus, net leverage is expected to remain comfortably within the rating threshold.

Further, CRISIL Ratings also takes note of sizeable debt repayments falling due over the near-to-medium term. However, the company has a track record of successfully refinancing its loans in a timely manner and raising debt at competitive costs. Furthermore, the ratings factor the management's intent to elongate the debt tenure, to support its liquidity profile. This is reflected in the increase in share of long-term debt in Tata Power's consolidated debt to 69% as on September 30, 2023 from 60% as on March 31, 2023.

Liquidity: Strong

Cash accrual is projected at Rs 5,500-6,500 crore for fiscal 2024, which will largely meet ~50% of the annual capex requirement of around Rs 12,000 crore. Of which ~Rs. 5000 crore has already been incurred during the first half of the current fiscal. Debt maturity of around Rs 9,000 crore in fiscal 2024 is largely expected to be refinanced given the strength of the company's cash flows. As of September 2023, consolidated cash and equivalents stood at Rs 10,773 crore, which includes cash liened marked for security deposits at distribution entities of nearly Rs 5807 crore. Further, unutilised bank lines as on October 2023, of about Rs 1,265 crore also supports liquidity. Additionally, need-based support from Tata group bolsters the financial flexibility for Tata Power.

Environment, social, and governance (ESG) profile

CRISIL Ratings believes that Tata Power's Environment, Social, and Governance (ESG) profile supports its already strong credit risk profile.

The power sector has a significant impact on the environment owing to higher emissions, water consumption and waste generation. This is because the generation of conventional power involves high dependence on natural resources mainly coal. The sector has a social impact due to its nature of operations affecting local community and health hazards involved. Tata Power is focused on mitigating its environmental and social risks.

Key ESG highlights

- Company aims to become carbon neutral before 2045, 100% fly ash utilisation and zero waste to landfill before 2030. Company is progressively reducing its dependence on freshwater and is taking measures such as rainwater harvesting to achieve water neutrality before 2030
- It also plans to increase clean and green portfolio to 80% by 2030 and 100% before 2045.
- It aims to impact 80 million lives directly by 2027 through its corporate social responsibility (CSR) activities and achieve zero fatality across all entities
- Gender diversity on par with peers, with around 10% of its employees being women in leadership positions and ~8% in overall full time workforce.
- The governance structure is characterised by 50% of its board comprising independent directors. Further, there is split in the chairman and CEO positions. It has a committee at the board level to address investor grievances and put out extensive disclosures.

There is growing importance of ESG among investors and lenders. The commitment of Tata Power to ESG principles will play a key role in enhancing stakeholder confidence, given the high share of market borrowing in its overall debt and access to both domestic and foreign capital markets.

Outlook: Positive

Given the regulated and stable nature of Tata Power's business, the company shall generate healthy and improved cash accrual over the medium term and sustain its healthy credit risk profile.

Rating Sensitivity Factors

Upward Factors

- Sustenance of annual operating profits at or above Rs 12000 crore, supported by improved business risk profile resulting in healthy return on capital,
- Consolidated net leverage (ratio of net debt/ adjusted Ebitda) sustaining at or below 3.8-4.0 times*

Downward Factors

Rating outlook can be revised to 'Stable' in case of:

- Expectation of net debt to Ebitda ratio sustaining above 4.0-4.3 times
- Any major debt-funded acquisition, which weakens the company's financial risk profile

**The value in the positive trigger has been revised upward from 2.5 times earlier, as the company is expected to have the ability to withstand a higher leverage, given the increased scale of operations and expansion in the share of regulated distribution and renewable businesses in its revenue and profitability.*

About the Company

Tata Power is India's largest integrated private power utility, with installed generation capacity of 12.4 GW as on November 10, 2023 (excluding 1.98 GW through a platform structure). The company is present across the power business spectrum, from generation (thermal, hydro, solar and wind) to transmission and distribution.

CGPL was formed to implement the Mundra plant, which has five units of 800 MW each. CGPL has been merged with Tata Power post receipt of the National Company Law Tribunal approval for the same dated March 31, 2022.

MPL, Tata Power's 74% joint venture with Damodar Valley Corporation, operates the Maithon project, which has two units of 525 MW each.

Powerlinks Transmission Ltd operates a 400-kV transmission line from Bhutan to Delhi.

Tata Power holds 30% and 26% stake in Indonesian coal mining companies, PT Kaltim Prima Coal and PT Baramulti Suksessarana Tbk, respectively. It had signed an agreement to sell 30% stake in Arutmin to the Bakrie family for USD 400 million (around Rs 2,800 crore) of which majority amount is already realised.

It also has a large dedicated renewable portfolio under its subsidiary TPREL with ~7.5 GW of renewable generation portfolio with ~4.2 GW operational capacity and balance under construction. ~800-1000 MW is expected to commission by the end of fiscal 2024. The company has also expanded backward with commissioning of 4 GW TopCon solar module manufacturing facility in Tamil Nadu. Cell manufacturing facility is expected to commission late current fiscal. Solar manufacturing facility is expected to support both EPC (order book of Rs. 15870 crore as on September 30, 2023) and generation portfolio of the company. It is also present in other supportive arrangements like EV charging, rooftop solar and solar pumps.

In September 2016, Tata Power and ICICI Venture partnered to launch a power platform (known as Resurgent Power Ventures Pte Ltd [Resurgent]) in Singapore, along with global investors. Resurgent will invest in operational and near-operational thermal, hydro, and transmission assets. In December 2019, Renascent Power Ventures Pvt Ltd, a wholly owned subsidiary of Resurgent, completed the acquisition of 75.01% stake in Prayagraj, which owns and operates a 1,980 MW supercritical power plant in Uttar Pradesh.

Further, transmission assets namely, NRSS XXXVI Transmission Ltd (total length of 153 kilometre (km), spread across Uttarakhand, Rajasthan and Haryana) and South East UP Power Transmission Company Ltd (total length of ~1500 km; intra state transmission asset in Uttar Pradesh) were also acquired under the Resurgent in fiscal year 2023, as part of stressed asset resolution process.

Key Financial Indicators- Tata Power Consolidated

Particulars	Unit	2023	2022
Operating income	Rs crore	56,517	43,014
Profit after tax (PAT)	Rs crore	3,810	2,156
PAT margin	%	6.7	5.01
Adjusted total debt/adjusted network	Times	1.6	2.11
Interest coverage	Times	2.6	2.6

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Type of instrument	Date of allotment	Coupon	Maturity date	Issue size (Rs crore)	Complexity Levels	Rating assigned with outlook
NA	Debentures**	FY 24	7.8%-7.9%	FY 29 to FY 32	1000	Complex	CRISIL AA/Positive
INE245A08273	NCD	Sep-23	7.72%	Sep-30	1000	Simple	CRISIL AA/Positive
INE245A08257	NCD	Dec-22	7.75%	8-Jan-30	500	Simple	CRISIL AA/Positive
INE245A08265	NCD	Dec-22	7.75%	29-Dec-32	500	Simple	CRISIL AA/Positive
INE245A07259	NCD	23-Jul-14	9.15%	23-Jul-24	20	Simple	CRISIL AA/Positive
INE245A07267	NCD	23-Jul-14	9.15%	23-Jul-25	20	Simple	CRISIL AA/Positive
INE245A07408	NCD	17-Sep-14	9.15%	17-Sep-24	16	Simple	CRISIL AA/Positive
INE245A07416	NCD	17-Sep-14	9.15%	17-Sep-25	26	Simple	CRISIL AA/Positive
INE245A08190	NCD	25-Nov-20	6%	25-Nov-23	1000	Simple	CRISIL AA/Positive
INE245A08232	NCD	24-Mar-21	7.80%	23-Mar-29	150	Simple	CRISIL AA/Positive
INE245A08240	NCD	24-Mar-21	7.80%	24-Mar-31	200	Simple	CRISIL AA/Positive
INE245A08224	NCD	24-Mar-21	7.80%	22-Mar-30	150	Simple	CRISIL AA/Positive
NA	Commercial paper	NA	NA	7-365 days	9,000	Simple	CRISIL A1+
NA	Term Loan	NA	NA	31-Mar-26	500	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	30-Sep-30	350	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	31-Mar-33	277.1	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	28-Feb-25	125.62	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	13-Jun-23	500	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	31-Dec-33	317.63	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	16-May-29	964.58	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	31-Mar-33	895	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	16-May-29	136.36	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	30-Mar-28	148.44	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	28-Feb-25	210	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	31-Mar-33	194.06	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	16-Feb-29	164.67	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	31-Mar-33	180.01	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	31-Jul-31	198.44	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	31-Mar-33	249.38	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	24-Jun-27	166.25	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	31-Mar-38	500	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	31-Dec-34	277.11	NA	CRISIL AA/Positive
NA	Term Loan	NA	NA	27-Jun-25	250	NA	CRISIL AA/Positive
NA	Rupee Term Loan	NA	NA	16-May-29	125.63	NA	CRISIL AA/Positive

NA	Rupee Term Loan	NA	NA	15-Jul-24	215	NA	CRISIL AA/Positive
NA	Rupee Term Loan	NA	NA	31-Mar-24	180	NA	CRISIL AA/Positive
NA	Proposed long term bank loan facility	NA	NA	NA	1072.88	NA	CRISIL AA/Positive
NA	Bank Guarantee&	NA	NA	NA	250	NA	CRISIL A1+
NA	Cash credit & working capital demand loan^	NA	NA	NA	100	NA	CRISIL AA/Positive
NA	Cash credit & working capital demand loan	NA	NA	NA	650	NA	CRISIL AA/Positive
NA	Short term loan	NA	NA	NA	250	NA	CRISIL A1+
NA	Overdraft Facility#	NA	NA	NA	200	NA	CRISIL AA/Positive
NA	Letter of Credit%	NA	NA	NA	400	NA	CRISIL A1+
NA	Letter of Credit	NA	NA	NA	4600	NA	CRISIL A1+
NA	Short term loan@	NA	NA	NA	185	NA	CRISIL A1+
NA	Letter of credit & Bank Guarantee\$	NA	NA	NA	150	NA	CRISIL A1+
NA	Letter of credit & Bank Guarantee	NA	NA	NA	2675	NA	CRISIL A1+
NA	Working Capital Facility!	NA	NA	NA	225	NA	CRISIL AA/Positive
NA	Working Capital Facility	NA	NA	NA	100	NA	CRISIL A1+
NA	Working Capital Loan	NA	NA	NA	600	NA	CRISIL A1+

&One way interchangeability to LC to the extent of 100%

^One way interchangeability from FB to NFB

%BG sublimit to the extent of 300

\$LC sublimit

#LC & WC DL sublimit

!STL, BD & LC sublimit

@OD & BD to the extent of 50cr

**Yet to be issued

Annexure - Details of Rating Withdrawn

ISIN	Type of instrument	Date of allotment	Coupon	Maturity date	Issue size (Rs.Crore)	Complexity Levels	Rating assigned with outlook
INE245A07242	NCD	23-Jul-14	9.15%	23-Jul-23	20	Simple	Withdrawn
INE245A07390	NCD	17-Sep-14	9.15%	17-Sep-23	16	Simple	Withdrawn

Annexure – List of entities consolidated: List of entities consolidated with Tata Power Company Ltd

Name of the Company	Extent of consolidation	Rationale for consolidation
Tata Power Delhi Distribution Company Ltd	Full	Subsidiary
TP Central Odisha Distribution Ltd	Full	Subsidiary
TP Southern Odisha Distribution Ltd	Full	Subsidiary
TP Western Odisha Distribution Ltd	Full	Subsidiary
TP Northern Odisha Distribution Ltd	Full	Subsidiary
Maithon Power Ltd	Full	Subsidiary
Tata Power Renewable Energy Ltd	Full	Subsidiary
Tata Power Trading Company Ltd	Full	Subsidiary
Powerlinks Transmission Ltd	Full	Subsidiary
Industrial Energy Ltd	Full	Subsidiary
Tata Power Solar Systems Ltd	Full	Subsidiary
Bhira Investments Pte. Ltd	Full	Subsidiary
Bhivpuri Investments Ltd	Full	Subsidiary
Khopoli Investments Ltd	Full	Subsidiary
TP Ajmer Distribution Ltd	Full	Subsidiary

Supa Windfarm Ltd	Full	Subsidiary
Poolavadi Windfarm Ltd	Full	Subsidiary
Nivade Windfarm Ltd	Full	Subsidiary
Indo Rama Renewables Jath Ltd	Full	Subsidiary
Walwhan Renewable Energy Ltd	Full	Subsidiary
Clean Sustainable Solar Energy Pvt Ltd	Full	Subsidiary
Dreisatz Mysolar24 Pvt Ltd	Full	Subsidiary
MI Mysolar24 Pvt Ltd	Full	Subsidiary
Northwest Energy Pvt Ltd	Full	Subsidiary
Solarsys Renewable Energy Pvt Ltd	Full	Subsidiary
Walwhan Solar Energy GJ Ltd	Full	Subsidiary
Walwhan Solar Raj Ltd	Full	Subsidiary
Walwhan Solar BH Ltd	Full	Subsidiary
Walwhan Solar MH Ltd	Full	Subsidiary
Walwhan Wind RJ Ltd	Full	Subsidiary
Walwhan Solar AP Ltd	Full	Subsidiary
Walwhan Solar KA Ltd	Full	Subsidiary
Walwhan Solar MP Ltd	Full	Subsidiary
Walwhan Solar PB Ltd	Full	Subsidiary
Walwhan Energy RJ Ltd	Full	Subsidiary
Walwhan Solar TN Ltd	Full	Subsidiary
Walwhan Solar RJ Ltd	Full	Subsidiary
Walwhan Urja Anjar Ltd	Full	Subsidiary
Walwhan Urja India Ltd	Full	Subsidiary
Chirasthayee Saurya Ltd	Full	Subsidiary
Vagarai Windfarm Ltd	Full	Subsidiary
Trust Energy Resources Pte Ltd	Full	Subsidiary
Eastern Energy Pte Ltd	Full	Subsidiary
TP Kirmali Private Ltd	Full	Subsidiary
TP Solapur Limited	Full	Subsidiary
Adjaristsqali Netherlands B.V.	Proportionate	Operational and Financial linkages
Khoromkheti Netherlands BV	Proportionate	Operational and Financial linkages
Indocoal KPC Resources (Cayman) Ltd	Proportionate	Operational and Financial linkages
Candice Investments Pte. Ltd.	Proportionate	Operational and Financial linkages
PT Kalimantan Prima Power	Proportionate	Operational and Financial linkages
PT Dwikarya Prima Abadi	Proportionate	Operational and Financial linkages
PT Marvel Capital Indonesia	Proportionate	Operational and Financial linkages
PT Nusa Tambang Pratama	Proportionate	Operational and Financial linkages
PT Indocoal Kaltim Resources	Proportionate	Operational and Financial linkages
Dagachhu Hydro Power Corporation Ltd	Proportionate	Operational and Financial linkages
PT Kaltim Prima Coal	Proportionate	Operational and Financial linkages
PT Baramulti Suksesarana Tbk	Proportionate	Operational and Financial linkages
Itezhi Tezhi Power Corporation	Financial Investment	Financial linkages
Tata Projects Ltd	Financial Investment	Financial linkages
Resurgent Power Ventures Pte Ltd	Financial Investment	Financial linkages

Annexure - Rating History for last 3 Years

Instrument	Current			2023 (History)		2022		2021		2020		Start of 2020
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT/ST	10508.16	CRISIL AA/Positive / CRISIL A1+	21-06-23	CRISIL A1+ / CRISIL AA/Stable	22-12-22	CRISIL A1+ / CRISIL AA/Stable	14-10-21	CRISIL AA/Stable	24-11-20	CRISIL AA/Stable	CRISIL AA-/Positive
			--		--	14-06-22	CRISIL A1+ / CRISIL AA/Stable	27-07-21	CRISIL AA/Stable	04-11-20	CRISIL AA/Stable	--
			--		--	26-04-22	CRISIL AA/Stable	18-03-21	CRISIL AA/Stable	18-08-20	CRISIL AA-/Positive	--
			--		--	07-01-22	CRISIL AA/Stable	25-01-21	CRISIL AA/Stable	09-04-20	CRISIL AA-/Positive	--

Non-Fund Based Facilities	ST	8075.0	CRISIL A1+	21-06-23	CRISIL A1+	22-12-22	CRISIL A1+	14-10-21	CRISIL A1+	24-11-20	CRISIL A1+	CRISIL A1+
			--		--	14-06-22	CRISIL A1+	27-07-21	CRISIL A1+	04-11-20	CRISIL A1+	--
			--		--	26-04-22	CRISIL A1+	18-03-21	CRISIL A1+	18-08-20	CRISIL A1+	--
			--		--	07-01-22	CRISIL A1+	25-01-21	CRISIL A1+	09-04-20	CRISIL A1+	--
Commercial Paper	ST	9000.0	CRISIL A1+	21-06-23	CRISIL A1+	22-12-22	CRISIL A1+	14-10-21	CRISIL A1+	24-11-20	CRISIL A1+	CRISIL A1+
			--		--	14-06-22	CRISIL A1+	27-07-21	CRISIL A1+	04-11-20	CRISIL A1+	--
			--		--	26-04-22	CRISIL A1+	18-03-21	CRISIL A1+	18-08-20	CRISIL A1+	--
			--		--	07-01-22	CRISIL A1+	25-01-21	CRISIL A1+	09-04-20	CRISIL A1+	--
Non Convertible Debentures	LT	4582.0	CRISIL AA/Positive	21-06-23	CRISIL AA/Stable	22-12-22	CRISIL AA/Stable	14-10-21	CRISIL AA/Stable	24-11-20	CRISIL AA/Stable	CRISIL AA-/Positive
			--		--	14-06-22	CRISIL AA/Stable	27-07-21	CRISIL AA/Stable	04-11-20	CRISIL AA/Stable	--
			--		--	26-04-22	CRISIL AA/Stable	18-03-21	CRISIL AA/Stable	18-08-20	CRISIL AA-/Positive	--
			--		--	07-01-22	CRISIL AA/Stable	25-01-21	CRISIL AA/Stable	09-04-20	CRISIL AA-/Positive	--
Perpetual Non Convertible Debentures	LT		--		--		--	14-10-21	Withdrawn	24-11-20	CRISIL AA/Stable	CRISIL AA-/Positive
			--		--		--	27-07-21	CRISIL AA/Stable	04-11-20	CRISIL AA/Stable	--
			--		--		--	18-03-21	CRISIL AA/Stable	18-08-20	CRISIL AA-/Positive	--
			--		--		--	25-01-21	CRISIL AA/Stable	09-04-20	CRISIL AA-/Positive	--
Subordinated Non-Convertible Debentures	LT		--		--	22-12-22	Withdrawn	14-10-21	CRISIL AA/Stable	24-11-20	CRISIL AA/Stable	CRISIL AA-/Positive
			--		--	14-06-22	CRISIL AA/Stable	27-07-21	CRISIL AA/Stable	04-11-20	CRISIL AA/Stable	--
			--		--	26-04-22	CRISIL AA/Stable	18-03-21	CRISIL AA/Stable	18-08-20	CRISIL AA-/Positive	--
			--		--	07-01-22	CRISIL AA/Stable	25-01-21	CRISIL AA/Stable	09-04-20	CRISIL AA-/Positive	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee^{&}	250	State Bank of India	CRISIL A1+
Cash Credit & Working Capital Demand Loan[^]	100	State Bank of India	CRISIL AA/Positive
Cash Credit & Working Capital Demand Loan	500	Bank of America N.A.	CRISIL AA/Positive
Cash Credit & Working Capital Demand Loan	100	IDBI Bank Limited	CRISIL AA/Positive
Cash Credit & Working Capital Demand Loan	50	ICICI Bank Limited	CRISIL AA/Positive
Letter of Credit	2200	ICICI Bank Limited	CRISIL A1+
Letter of Credit	300	Standard Chartered Bank Limited	CRISIL A1+
Letter of Credit[%]	400	Axis Bank Limited	CRISIL A1+
Letter of Credit	1100	State Bank of India	CRISIL A1+
Letter of Credit	1000	ICICI Bank Limited	CRISIL A1+
Letter of credit & Bank Guarantee	300	IDFC FIRST Bank Limited	CRISIL A1+

Letter of credit & Bank Guarantee ^{\$}	150	IndusInd Bank Limited	CRISIL A1+
Letter of credit & Bank Guarantee	300	IDBI Bank Limited	CRISIL A1+
Letter of credit & Bank Guarantee	1330	State Bank of India	CRISIL A1+
Letter of credit & Bank Guarantee	745	ICICI Bank Limited	CRISIL A1+
Overdraft Facility [#]	200	Axis Bank Limited	CRISIL AA/Positive
Proposed Long Term Bank Loan Facility	1072.88	Not Applicable	CRISIL AA/Positive
Rupee Term Loan	125.63	HDFC Bank Limited	CRISIL AA/Positive
Rupee Term Loan	215	Axis Bank Limited	CRISIL AA/Positive
Rupee Term Loan	180	ICICI Bank Limited	CRISIL AA/Positive
Short Term Loan	250	The South Indian Bank Limited	CRISIL A1+
Short Term Loan [@]	185	IndusInd Bank Limited	CRISIL A1+
Term Loan	500	Axis Bank Limited	CRISIL AA/Positive
Term Loan	350	Kotak Mahindra Bank Limited	CRISIL AA/Positive
Term Loan	277.1	Bajaj Finance Limited	CRISIL AA/Positive
Term Loan	125.62	Kotak Mahindra Bank Limited	CRISIL AA/Positive
Term Loan	500	The Federal Bank Limited	CRISIL AA/Positive
Term Loan	317.63	HDFC Bank Limited	CRISIL AA/Positive
Term Loan	964.58	State Bank of India	CRISIL AA/Positive
Term Loan	895	Housing Development Finance Corporation Limited	CRISIL AA/Positive
Term Loan	284.8	Kotak Mahindra Bank Limited	CRISIL AA/Positive
Term Loan	210	Punjab National Bank	CRISIL AA/Positive
Term Loan	1152.81	HDFC Bank Limited	CRISIL AA/Positive
Term Loan	500	HDFC Bank Limited	CRISIL AA/Positive
Term Loan	277.11	HDFC Bank Limited	CRISIL AA/Positive
Term Loan	250	IndusInd Bank Limited	CRISIL AA/Positive
Working Capital Facility	100	DBS Bank Limited	CRISIL A1+
Working Capital Facility [!]	225	Kotak Mahindra Bank Limited	CRISIL AA/Positive
Working Capital Loan	600	HDFC Bank Limited	CRISIL A1+

&One way interchangeability to LC to the extent of 100%

^One way interchangeability from FB to NFB

%BG sublimit to the extent of 300

\$LC sublimit

#LC & WCDL sublimit

!STL, BD & LC sublimit

@OD & BD to the extent of 50 cr

Criteria Details

Links to related criteria

[CRISILs Approach to Financial Ratios](#)

[Criteria for rating wind power projects](#)

[Criteria for rating solar power projects](#)

[Criteria for rating entities belonging to homogenous groups](#)

[CRISILs Criteria for rating short term debt](#)

Media Relations

Analytical Contacts

Customer Service Helpdesk

<p>Aveek Datta Media Relations CRISIL Limited M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com</p> <p>Prakruti Jani Media Relations CRISIL Limited M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com</p> <p>Rutuja Gaikwad Media Relations CRISIL Limited B: +91 22 3342 3000 Rutuja.Gaikwad@ext-crisil.com</p>	<p>Manish Kumar Gupta Senior Director CRISIL Ratings Limited B:+91 124 672 2000 manish.gupta@crisil.com</p> <p>Ankit Hakhu Director CRISIL Ratings Limited B:+91 124 672 2000 ankit.hakhu@crisil.com</p> <p>Shruti Lahoti Manager CRISIL Ratings Limited B:+91 124 672 2000 Shruti.Lahoti@crisil.com</p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301</p> <p>For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com</p> <p>For Analytical queries: ratingsinvestordesk@crisil.com</p>
---	---	---

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by CRISIL Ratings Limited ('CRISIL Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting

on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: www.crisilratings.com.

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. CRISIL Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>.

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public website, www.crisilratings.com. For latest rating information on any instrument of any company rated by CRISIL Ratings, you may contact the CRISIL Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRISIL Ratings.

All rights reserved @ CRISIL Ratings Limited. CRISIL Ratings is a wholly owned subsidiary of CRISIL Limited.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html>