June 02, 2020

North Eastern Electric Power Corporation Limited: [ICRA]AA (Stable) rating assigned for enhanced proposed non-convertible debenture programme; removed the 'Rating Watch with Developing Implications' and 'Stable' outlook assigned on long-term and issuer rating

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture – XIth issue	40.00	40.00	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Non-Convertible Debenture – XIIth issue	72.00	72.00	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Non-Convertible Debenture – XIIIth issue	58.00	43.50	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Non-Convertible Debenture – XIVth issue	2,500.00	2,500.00	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Non-Convertible Debenture – XVIth issue	900.00	900.00	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Non-Convertible Debenture – XVIIth issue^^	300.00	300.00	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Non-Convertible Debenture – XVIIIth issue	500.00	500.00	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Non-Convertible Debenture – XIXth issue	300.00	300.00	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Non-Convertible Debenture – XXth issue	300.00	300.00	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Non-Convertible Debenture – XXIth issue**	200.00	150.00	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Proposed Non-Convertible Debenture	-	500.00	[ICRA]AA (Stable) assigned
Issuer Rating	-	-	[ICRA]AA reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned)*
Fund Based Limit – Short Term/Long Term Loan	700.00	700.00	[ICRA]AA / [ICRA]A1+ reaffirmed *(Removed from 'Rating Watch with Developing Implications' and 'Stable' outlook assigned on the long-term rating)*
Total limits to be rated	**5,870.00**	**6,305.50**	

***Out of the Rs. 200 crore rated NCD, only Rs. 150 crore was placed under the XXIth issue and the remaining Rs. 50 crore remain unplaced; *Instrument details are provided in Annexure-1; ^^repaid in bullet on May 27, 2020*

Rationale

The resolution of the 'Rating Watch with Developing Implications' and assignment of 'Stable' outlook on the long-term and issuer rating follows the completion of acquisition[1] of North Eastern Electric Power Corporation Limited (NEEPCO) by NTPC Limited (NTPC, rated [ICRA]AAA (Stable)/ [ICRA]A1+), and greater clarity on investment commitment accumulating to Rs. 1,814.97 crore by NTPC pertaining to the pending equity from the Government of India (GoI) for the Kameng (4X150 MW), Pare (2X55 MW) and Tuirial (2X30 MW) hydroelectric projects. The rating reaffirmation factors in NEEPCO's operational synergies with NTPC, and its strategic importance to the power scenario in the North-East. The ratings derive comfort from NEEPCO's healthy financial flexibility, as demonstrated by its ability to arrange long-term funds at competitive rates. Besides, it faces limited demand risks from existing projects because of its competitive cost of power and the location of its plants in the North East, where competition is low due to the existence of only a few players. Except the ongoing Kameng hydroelectric project, where the company is yet to tie up cost-plus power purchase agreement (PPA) for around 50% of the capacity, all other generation stations of NEEPCO are backed by cost-plus PPAs, which lead to steady earnings and business returns. In addition, the ratings derive support from NEEPCO's comfortable financial profile reflected by healthy profit margins, steady cash accruals, and a conservative capital structure. ICRA notes that the advanced stage of declaration of commercial operation date (CoD) of the first two units of the Kameng hydroelectric project, stabilisation of operations of the Pare hydroelectric project, and improved gas supplies at the Agartala gas project are expected to lead to higher generation levels going forward.

The ratings are, however, tempered by the significant time and cost overruns in the ongoing Kameng hydroelectric project, which expose the company to execution risks as well as accentuate regulatory risks associated with capital cost disallowance by the Central Electricity Regulatory Commission (CERC). However, ICRA notes that commencement of infirm power generation from the first two units (2X150 MW) of Kameng mitigates the technology risk associated with the viability of the welding method adopted in fixing Kameng's penstock leakage problem. Apart from the Kameng project, NEEPCO is also exposed to the execution risks associated with the renovation and modernisation (R&M) project for life extension of Kopili-I (200 MW). In addition, there has been a prolonged delay in equity[2] infusion for the Kameng, Pare and Tuirial hydroelectric projects, which led to higher dependence on external borrowings. The ratings are also constrained by NEEPCO's exposure to offtake risks associated with Kameng's untied capacity, and the elevated tariff for the Pare hydroelectric project, which delayed implementation of the final tariff order, leading to lower-than-expected earnings from the generation station. NEEPCO's exposure to the State Electricity Boards (SEB), having weak financial profile, exposes the company to significant counterparty credit risks. Additionally, the company's customer base is less diversified, with Assam Power Distribution Company Limited alone having an allotted share of around 36% of NEEPCO's total capacity of 2,057 MW. Given the lumpy long-term repayments scheduled from FY2021[3], the company's ability to declare CoD in all four units of the Kameng project without further time and cost overruns, maintain a healthy collection efficiency, and receive the pending equity from NTPC for the Kameng, Pare and Tuirial hydroelectric projects remain key rating sensitivities.

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[1] Acquisition completed on March 27, 2020

[2] NEEPCO is expected to receive around Rs. 1,814.97 crore of equity from NTPC pertaining to the 30% of the equity contribution of the Kameng, Pare and Tuirial hydroelectric projects which has been funded by NEEPCO from internal accruals

[3] NEEPCO's scheduled long-term debt repayments and short-term debt repayments for loans taken against GoI equity would increase to Rs. 1,489 crore in FY2021 and Rs. 964 crore in FY2022, against Rs. 251 crore in FY2020

Key rating drivers and their description

Credit strengths

Operational synergies with NTPC Limited; committed funding support from the parent – ICRA takes comfort from NTPC's dominant position in India's power sector, its strong financial profile, and demonstrated track record of providing timely support to its subsidiaries. ICRA notes that in the share purchase agreement signed with the GoI, NTPC committed an investment of Rs. 1,814.97 crore in NEEPCO. This pertains to the pending equity from the GoI for the Kameng, Pare and Tuirial hydroelectric projects. To NTPC's existing thermal dominated asset basket, NEEPCO offers a green power portfolio of 1,530 MW (1,525 MW hydro and 5 MW solar), which aligns with NTPC's aspirational target to build a sizeable renewable energy portfolio. In addition, NEEPCO has 527 MW of operational gas-based projects, which have a lower carbon footprint than coal-based thermal power plants. ICRA believes that the acquisition can also potentially lead to operational synergies associated with access to NTPC's superior technical knowhow, especially in operating gas-based stations, and the ability to leverage NTPC's high bargaining power and strong relationship with power distribution companies (discoms), helping ensure timely collections of monthly bills and market power from NEEPCO's upcoming stations at remunerative tariffs.

Strategic importance of NEEPCO to the power sector in the North-East – NEEPCO, located in the North Eastern region of India, has an installed power generation capacity of 1,757 MW (1,225 MW hydro, 527 MW gas, and 5 MW solar). It supplies power to all the seven states in the North East, meeting around 36% of the regional power requirement in FY2019. The acquisition of NEEPCO allows NTPC in gaining access to the north-eastern region of India and augment its capabilities in the development of hydropower projects in difficult terrains.

Cost-plus nature of the company's operations, leading to steady business returns – The tariffs for NEEPCO's plants are determined as per the tariff regulation notified by the CERC. NEEPCO's operational performance of the ongoing projects remains satisfactory. Supported by the low capital cost of its existing hydropower generation stations and the benefit of being able to procure gas at 60% of the domestic notified price, NEEPCO's tariff from operational plants remained competitive at Rs. 3.3/kwh in FY2019.

Commissioning of the first two units of the Kameng hydroelectric project, stabilisation of operations of the Pare hydroelectric project, and improved gas supplies at the Agartala gas project to support higher generation levels – NEEPCO has synchronised the first two units (2X150 MW) of the Kameng hydroelectric project in January 2020, and commissioned the second unit on February 3, 2020 and the first unit on February 11, 2020. These two units have generated infirm power accumulating to 69.4 million units (MU) till May 28, 2020. ICRA notes that the commencement of power generation mitigates the technology risk associated with the viability of the welding method adopted in fixing the penstock leakage problem. ICRA understands that following the resolution of some minor teething problems in the turbine bearings by the electromechanical contractor, NEEPCO is expected to declare CoD for the first two units of Kameng very shortly. Moreover, the stabilisation of operations of the 110-MW Pare hydroelectric project, as well as an improvement in gas supplies at the 135-MW Agartala gas project led to a healthy 28.2% year-on-year (YoY) increase in cumulative gross generation from these stations in FY2020.

Comfortable financial profile reflected by healthy profit margins, steady cash accruals, and conservative capital structure – NEEPCO's healthy profit margins, steady cash accruals, and conservative capital structure strengthen its financial profile. The company generated annual cash accruals ranging from Rs. 280 crore – Rs. 450 crore between FY2013 and FY2019. Despite the large ongoing debt-funded capex, healthy accruals led to a conservative capital structure, as indicated by a gearing of 1.15 times as on September 30, 2019. Around 72% of NEEPCO's long-term debt outstanding as on March 31, 2020 was accounted by the Kameng hydroelectric project, benefits of which are expected to partly flow in from FY2021. Consequently, NEEPCO's Total Debt/OPBITDA[4] is expected to remain adverse at 9.1 times in FY2020. However, after adjusting for the project debt for Kameng, the company's Total Debt/OPBITDA is expected to remain at a moderate level of 3.2 times in FY2020.

Favourable financial flexibility indicated by its ability to raise funds at competitive rates – NEEPCO has exhibited a high degree of financial flexibility, as indicated by its ability to raise funds at competitive rates, as well as refinance high-cost debt.

Credit challenges

Exposure to execution risks arising out of the ongoing greenfield hydroelectric project at Kameng, and the renovation and modernisation project at Kopili-I – NEEPCO has encountered a prolonged delay in the completion of the Kameng hydroelectric project due to difficult geological conditions and operational setback following the leakage from the penstock during the pre-commissioning trial in March 2018. The ongoing lockdown due to the Covid – 19 pandemic has led to difficulties in mobilisation of adequate resources, resulting in a further delay in the CoD of the project's first two units (2X150 MW) from the middle of February 2020 (as expected earlier) to early June 2020, and the remaining two units (2X150 MW) from June 2020 (as expected earlier) to Q3 FY2021[5]. Given these slippages, Kameng's gross generation is expected to be around 1,773 MU in FY2021, lower by 29% than ICRA's previous estimates. Consequently, Kameng's contribution to NEEPCO's operating profits is expected to be lower by 33% than the previous estimates for FY2021.

Apart from Kameng, NEEPCO is also undertaking a comprehensive R&M project for life extension of Kopili-I (200 MW) following the rupture of three sections of the penstock in October 2019. This led to flooding, and damaged critical elements of the penstock, powerhouse, and switchyard. The R&M works would take Kopili-I out of operation for the next 18-24 months (till FY2022), leading to a revenue loss of around Rs. 125-130 crore annually. ICRA notes that the budgeted cost of the R&M project has been pegged at around Rs. 475 crore for Stage I and Rs. 234 crore for Stage II[6]. Notwithstanding the additional capital cost for Kopili-I, its tariff is expected to remain competitive at an estimated Rs. 2.6/unit in FY2023, against Rs. 1.32/unit in FY2019.

Offtake risks associated with the Kameng hydroelectric project – At present, around 50% of Kameng's capacity has been tied up under long-term PPA, and the company is under discussions to tie up the balance capacity. Supported by Kameng's favourable hydrology[7], the tariff for the station is likely to remain competitive[8], mitigating offtake risks to an extent. Going forward, firming up of Kameng's untied capacity through long-term power purchase agreements at remunerative tariffs would remain an important rating driver.

Delay in equity infusion for newly developed hydroelectric projects leading to an increase in leverage – As the revised cost estimate for the ongoing hydroelectric projects is yet to be approved by the Government, there was a delay in equity infusion by the GoI to fund the equity contribution for the cost escalation at Kameng, Pare and

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[4] Operating profits before interest, tax, depreciation and amortisation

[5] Penstock - II is expected to be ready by 25th October 2020, and commissioning for the balance two units (2X150 MW) can be declared within 10 days thereafter

[6] The initial cost estimate for the R&M works was pegged at Rs. 475 crore, which included the limited scope for Stage I

[7] Kameng's annual design energy of 3353 million units represents a plant load factor of 63.8%

[8] Assuming Kameng's approved capital cost by CERC to be a lower Rs. 6424 crore (which was the cost incurred till March 31, 2018), as per the 2019-2024 CERC tariff regulations and the new corporate tax regime, the first year tariff for Kameng comes to around Rs. 4.7/unit

Tuirial projects. This resulted in increased dependence on debt funding, in turn leading to a rising leverage. However, NEEPCO has an investment commitment of Rs. 1,814.97 crore from NTPC, and a timely release of the same remains crucial to bring down NEEPCO's debt levels.

Regulatory risks associated with the approval of tariff for the Kameng hydroelectric project – The commissioning of the Kameng hydroelectric project has been delayed by over two years due to the operational setback arising from the penstock leakage in March 2018. This has led to a 25% increase in the project's completion cost to an estimated Rs. 8,042 crore. Recoverability of this cost increase through tariff by CERC remains uncertain, exposing the company to regulatory uncertainties.

Elevated tariff for the Pare hydroelectric project has delayed the implementation of the final tariff order, leading to lower-than-expected earnings from the generation station – On January 28, 2020, CERC released the tariff order for the Pare hydroelectric project, allowing a first-year tariff of Rs. 7.1/unit[9] (for FY2019). This was much higher than ICRA's expectation of a first-year tariff of Rs. 5.7/unit. However, based on the feedback received from the beneficiaries, NEEPCO has not implemented the CERC tariff order due to the elevated tariff levels. ICRA understands that NEEPCO is in the process of restructuring the Pare tariff with an aim to bring down the first-year tariff to more reasonable levels. In the interim period, till a revised order is released by CERC, NEEPCO is billing at the provisional tariff of Rs. 5/unit, leading to a lower-than-expected level of earnings from the generation station[10].

Exposure to customer concentration and counterparty credit risks from financially weak state discoms – NEEPCO's customer profile includes seven state-owned power distribution companies of North East India. Given the weak financial profile of such discoms, NEEPCO remains exposed to significant counterparty credit risks. Moreover, the company's customer base is less diversified compared to other Central Public Sector Undertakings (CPSUs), exposing it to customer-concentration risks as well. The GoI has rolled out a scheme for the mandatory operationalisation of payment security mechanisms for procuring power by distribution utilities through furnishing letter of credit with effect from August 1, 2019. This scheme partly mitigates NEEPCO's exposure to counterparty credit risks.

Liquidity position: Adequate

NEEPCO's liquidity profile is expected to remain **adequate**, supported by stable earnings from operational power generation assets, and its high financial flexibility. In FY2021, NEEPCO is likely to generate an OPBITDA of Rs. 1,216 crore and retained cash flows (RCF) of Rs. 408 crore[11], against which the scheduled debt service commitments (including repayment of short-term loans taken against the receipt of equity) stand at Rs. 1,489 crore, and budgeted capex stand at Rs. 529 crore[12] during the said period. This gives a funding shortfall of around Rs. 1,610 crore. This deficit is expected to be funded by a mix of a) fresh bond issuance of Rs. 500 crore, and partial drawl from the proposed bank loan of Rs. 1,250 crore, against which in-principle offer has been received, b) equity infusion of Rs. 310 crore from NTPC corresponding to the share of the Pare and Tuirial hydroelectric projects, c) release of the approved grant of Rs. 134 crore for the Tuirial hydroelectric project from the Ministry of Development of North Eastern Region, and d) part drawdown of undrawn working capital lines, which stood at an estimated Rs. 432 crore at the beginning of FY2021.

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[9] Netting off auxiliary consumption and free power to home state

[10] Excluding the impact of arrear billing, Pare's contribution to the operating profits is now expected to be around Rs. 130 crore in FY2021, lower than Rs. 170 crore estimated earlier at a CERC approved tariff of Rs. 5.6-5.7/unit

[11] Factoring in turnover of Rs. 623 crore and OPBITDA of Rs. 482 crore from Kameng

[12] Includes the last-mile capex for Kameng and R&M project for Kopili-I, but excludes capex for survey and investigation

Rating sensitivities

Positive triggers – ICRA could upgrade NEEPCO's ratings under the following scenarios:

- The commissions all four units of the Kameng project in the current fiscal, and the machines achieve operational stability by demonstrating generation at close to the design energy for a sustained period of time, partly mitigating operating risks
- The company firms up long-term power purchase agreement at a cost-reflective tariff for a bulk of Kameng's untied capacity, mitigating offtake risks
- CERC approves a remunerative cost-plus tariff for the Kameng hydroelectric project without any significant cost disallowance than what is expected by ICRA, mitigating regulatory risks
- The company receives the pending equity from the parent for the completed hydroelectric projects without further delay

Negative triggers – Pressure on NEEPCO's ratings could arise under the scenarios highlighted below:

- The company encounters further operational hurdles in commissioning all four units of the Kameng project, leading to additional cost and time over-runs
- The company is unable to realise a cost-reflective tariff for Kameng
- There is a prolonged delay in the receipt of pending equity from NTPC, leading to a sustained deterioration in the liquidity and credit metrics

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Thermal Power Producers
Parent/Group Support	Parent: NEEPCO is a wholly-owned subsidiary of NTPC Limited (rated [ICRA]AAA (Stable)/ [ICRA]A1+) The ratings assigned to NEEPCO factor in the high likelihood of its parent, NTPC Limited, extending financial support to NEEPCO given the long-term strategic importance that NEEPCO holds for NTPC in gaining access to the north-eastern region of India, and helping augment its capabilities in the development of hydropower projects in difficult terrains. ICRA also expects NTPC to be willing to extend financial support to NEEPCO out of the need to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone[13]	The ratings are based on the standalone financial profile of the company.

About the company

Incorporated in April 1976, NEEPCO has been mandated to harness the power generation potential, both through the hydro and thermal power routes in north-eastern region of India. NEEPCO assumes strategic importance to the power sector in the North East India as it meets around 36% of the overall regional power demand. NEEPCO has been conferred the Mini Ratna – Category I status by the GoI. The company has an installed generation capacity of 1,757-MW, of which 1,225 MW is hydro based, 527-MW is gas based, and the balance 5-MW is solar power based. NEEPCO is also at an advanced stage of commissioning the balance two units (2X150 MW) of the 600-MW Kameng hydroelectric project in Arunachal Pradesh. On March 27, 2020, NTPC acquired NEEPCO's 100% equity stake from the GoI, following which the later became NTPC's wholly-owned subsidiary.

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[13] As on date, NEEPCO has only one associate company, KSK Dibbin Hydro Power Private Limited, in which it has a 30% equity holding

In H1 FY2020, on a provisional basis, the company reported a net profit of Rs. 247.54 crore on an operating income of Rs. 1,136.87 crore compared to a net profit of Rs. 213.94 crore on an operating income of Rs. 2,100.49 crore in FY2019.

Key standalone financial indicators (audited)

	FY2017	FY2018	FY2019	H1 FY2020 (Prov)
Operating Income (Rs. crore)	1,415.24	1,653.19	2,100.49	1,136.87
PAT (Rs. crore)	225.98	274.66	213.94	247.54
OPBDIT/OI (%)	38.34%	37.12%	39.40%	39.69%
RoCE (%)	9.58%	12.84%	12.37%	13.26%
Total Outside Liabilities/Tangible Net Worth (times)	1.11	1.22	1.29	1.29
Total Debt/OPBDIT (times)	11.11	10.85	8.52	8.64
Interest coverage (times)	18.14	8.89	5.27	5.22
DSCR (excl. STD/prepayments)	3.46	2.87	2.42	2.20

Source: Company, ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Chronology of Rating History for the Past 3 Years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating In FY2020			Date & Rating in FY2019	Date & Rating in FY2018	
					2-Jun-20	5-Feb-20	13-Sep-19	26-Jul-19	2-Aug-18	16-Oct-17	14-Jun-17
1	Non-Convertible Debenture – XIth issue	LT	40.00	40.00	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable
2	Non-Convertible Debenture – XIIth issue	LT	72.00	72.00	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable
3	Non-Convertible Debenture – XIIIth issue	LT	43.50	43.50	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable
4	Non-Convertible Debenture – XIVth issue	LT	2500.00	2500.00	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable
5	Non-Convertible Debenture – XVIth issue	LT	900.00	900.00	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable
6	Non-Convertible Debenture – XVIIth issue^^	LT	300.00	300.00	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable
7	Non-Convertible Debenture – XVIIIth issue	LT	500.00	500.00	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable	[ICRA]AA /Stable	-
8	Non-Convertible Debenture – XIXth issue	LT	300.00	300.00	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable	[ICRA]AA /Stable	-
9	Non-Convertible Debenture – Unplaced	LT	200.00	0.00	-	-	-	[ICRA]AA /Negative* Rating Withdrawn	[ICRA]AA /Stable	[ICRA]AA /Stable	-
10	Non-Convertible Debenture – XXth issue	LT	300.00	300.00	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable	-	-
11	Non-Convertible Debenture – XXIth issue	LT	150.00	150.00	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	-	-	-	-

	Instrument	Current Rating (FY2021)				Chronology of Rating History for the Past 3 Years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating In FY2020			Date & Rating in FY2019	Date & Rating in FY2018	
					2-Jun-20	5-Feb-20	13-Sep-19	26-Jul-19	2-Aug-18	16-Oct-17	14-Jun-17
12	Proposed Non-Convertible Debenture – Unplaced	LT	500.00	0.00	[ICRA]AA /Stable	-	-	-	-	-	-
13	Issuer Rating	LT	-	-	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable	[ICRA]AA /Stable^	IrAA /Stable
14	Fund Based Limit – Long Term/Short Term	LT/ST	700.00	392.76**	[ICRA]AA /Stable [ICRA]A1+	[ICRA]AA & [ICRA]A1+	[ICRA]AA /Negative [ICRA]A1+	[ICRA]AA /Negative [ICRA]A1+	[ICRA]AA /Stable [ICRA]A1+	[ICRA]AA /Stable [ICRA]A1+	[ICRA]AA /Stable [ICRA]A1+

*^With effect from Sep 1, 2017, ICRA has aligned the symbols and the definitions of ratings pertaining to the Issuer Rating Scale with that of the Long-Term Rating Scale. The change in the symbol is not to be construed as a change in the credit rating. Please refer to ICRA's website for more details; ** Outstanding as on March 31, 2020 for rated limits of State Bank of India and Axis Bank; limits rated on both long term and short-term scales attracting tenure as per usage; ^^repaid in bullet on May 27, 2020*

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE636F07159	Non-Convertible Debenture – XIth issue	Dec 15, 2011	10.20%	Dec 15, 2021	40.00	[ICRA]AA (Stable)
INE636F07167	Non-Convertible Debenture – XIIth issue	Jun 27, 2012	9.25%	Jun 27, 2022	72.00	[ICRA]AA (Stable)
INE636F07175	Non-Convertible Debenture – XIIIth issue	Mar 15, 2013	9.00%	Mar 15, 2023	43.50	[ICRA]AA (Stable)
INE636F07183	Non-Convertible Debenture – XIVth issue	Oct 01, 2014	9.60%	Oct 01, 2024	2500.00	[ICRA]AA (Stable)
INE636F07209	Non-Convertible Debenture – XVIth issue	Sep 30, 2015	8.68%	Sep 30, 2030	900.00	[ICRA]AA (Stable)
INE636F07217	Non-Convertible Debenture – XVIIth issue^^	Mar 27, 2017	7.80%	May 27, 2020	300.00	[ICRA]AA (Stable)
INE636F07225	Non-Convertible Debenture – XVIIIth issue	Nov 15, 2017	7.68%	Nov 15, 2025	500.00	[ICRA]AA (Stable)
INE636F07233	Non-Convertible Debenture – XIXth issue	Mar 06, 2018	8.75%	Mar 06, 2028	300.00	[ICRA]AA (Stable)
INE636F07241	Non-Convertible Debenture – XXth issue	Nov 29, 2018	9.50%	Nov 29, 2025	300.00	[ICRA]AA (Stable)
INE636F07258	Non-Convertible Debenture – XXIth issue	Sep 26, 2019	8.69%	Sep 26, 2027	150.00	[ICRA]AA (Stable)
NA	Proposed Non-Convertible Debenture	-	-	-	500.00	[ICRA]AA (Stable)
NA	Issuer Rating	-	-	-	-	[ICRA]AA (Stable)
NA	Fund Based Limit – Long Term/Short Term	-	7.0-7.55%	ST loans having maturity upto 1 year from drawl	700.00	[ICRA]AA (Stable) [ICRA]A1+

Source: NSDL, Company; ^^repaid in bullet on May 27, 2020

Annexure-2: List of entities considered for consolidated analysis

As on date, NEEPCO has only one associate company, KSK Dibbin Hydro Power Private Limited in which it has a 30% equity holding.

Analyst Contacts

Jayanta Roy
+91 33 7150 1120
jayanta@icraindia.com

Kaushik Das
+91 33 7150 1104
kaushikd@icraindia.com

Ritabrata Ghosh
+91 33 7150 1107
ritabrata.ghosh@icraindia.com

Relationship Contact

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
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Hyderabad	+ (91 40) 2373 5061/7251
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