

July 26, 2019

## North Eastern Electric Power Corporation Limited: Rating reaffirmed; Outlook revised to 'Negative'

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture – XI <sup>th</sup> issue	40.00	40.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
Non-Convertible Debenture – XII <sup>th</sup> issue	120.00	72.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
Non-Convertible Debenture – XIII <sup>th</sup> issue	72.50	58.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
Non-Convertible Debenture – XIV <sup>th</sup> issue	2500.00	2500.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
Non-Convertible Debenture – XVI <sup>th</sup> issue	900.00	900.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
Non-Convertible Debenture – XVII <sup>th</sup> issue	300.00	300.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
Non-Convertible Debenture – XVIII <sup>th</sup> issue	500.00	500.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
Non-Convertible Debenture – XIX <sup>th</sup> issue	300.00	300.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
Non-Convertible Debenture – Unplaced	200.00	0.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable and Rating Withdrawn**
Non-Convertible Debenture – XX <sup>th</sup> issue	300.00	300.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
Issuer Rating	-	-	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
Fund Based Limit – Short Term/Long Term Loan	500.00	700.00	[ICRA]AA reaffirmed; Outlook revised to Negative from Stable
<b>Total limits to be rated</b>	<b>5732.50</b>	<b>5670.00</b>	[ICRA]A1+ reaffirmed

\*Instrument details are provided in Annexure-1; \*\*The Rs. 200 crore NCD was not issued, and there is no amount outstanding against the rated instrument

### Rationale

The revision in North Eastern Electric Power Corporation Limited's (NEEPCO) long-term rating outlook from Stable to Negative follows further time and cost over-runs for the 600-MW Kameng hydroelectric project. It the previous rationale ([link](#)), ICRA had expected the commissioning of Kameng's entire capacity to take place in January 2019. However, the revised timeline for the commissioning now stands in Q2 FY2020 for the first two units (2X150 MW) and Q4 FY2020<sup>1</sup> for the remaining two units (2X150 MW). This delay is expected to lead to a completion cost for Kameng of around Rs. 7,500 crore, representing an increase of around Rs. 850 crore from ICRA's earlier cost estimate. In this context, ICRA observes

<sup>1</sup> Based on company estimates

that Kameng's cost escalation since the initial commissioning trials in March 2018<sup>2</sup> to the revised commissioning timeline stands at around Rs. 1,085 crore, and recoverability of this cost increase through tariff by CERC remains uncertain, exposing the company to regulatory uncertainties as well. Moreover, NEEPCO remains exposed to offtake risks as long-term power-purchase agreement for 50% of Kameng's capacity is awaited still. Given the delay in Kameng's commissioning, NEEPCO's profits and cash accruals in FY2020 would be much lower than expected earlier<sup>3</sup>.

The equity contribution for NEEPCO's hydropower projects would be entirely funded by the Government of India (GoI). However, there has been a prolonged delay in equity infusion by the GoI for funding the equity component of the cost escalation, which led to an increased dependence on debt funding by NEEPCO, in turn resulting in increased leveraging. Till March 31, 2019, NEEPCO has cumulatively deployed internal reserves of around Rs. 2,300 crore in the Kameng, Pare and Tuirial hydroelectric projects, against which around Rs. 1,580 crore of equity infusion is awaited from the GoI. In FY2019, against a budgeted Rs. 267.5 crore fresh equity infusion in NEEPCO, the actual disbursement stood much lower at Rs. 61 crore. In FY2020, the GoI has budgeted for an equity infusion of Rs. 684 crore. However, given the absence of the Government's approval for the revised cost estimate for Kameng, the actual disbursement could be lower in FY2020, as has been the trend in the recent years<sup>4</sup>. Going forward, timely release of the GoI equity and consequent decrease in borrowing levels would remain important rating sensitivities.

NEEPCO's ratings favourably factor in the stability in its earnings, supported by a cost-plus based tariff regime. CERC has released the 2019-2024 tariff regulation in March 2019, and ICRA expects the new tariff regime to be beneficial for NEEPCO's generation stations. NEEPCO would stand to gain from higher normative operation and maintenance (O&M) expense and normative auxiliary energy consumption<sup>5</sup> for all its hydroelectric projects, lower normative plant availability factor (NAPAF) for the Kopili I (200 MW), Kopili II (50 MW), and Doyang (75 MW) hydroelectric projects<sup>6</sup>, higher normative auxiliary energy consumption for the Assam (291 MW) and Agartala (135 MW) gas stations<sup>7</sup>, 1% additional regulated return on equity for gas-based stations from April 1, 2020 for achieving a minimum ramp-rate of 5% per minute, and an increase in normative station heat rates for the Assam and Agartala gas stations<sup>8</sup>. These gains are expected to be considerably higher than the negative impact arising from an increase in NAPAF for the Ranganadi (405 MW) hydroelectric station<sup>9</sup>, lower allowed O&M expense for all the gas-based stations, and lower normative auxiliary energy consumption for the Tripura gas station<sup>10</sup>. The total annual fixed charges (AFC) for NEEPCO's operational hydro and gas stations (excluding Kameng) is expected to increase from around Rs. 1,540 crore in FY2019 to Rs. 1,610 crore in FY2020 and Rs. 1,650 crore in FY2021, which would aid in higher profits and cash accruals, going forward.

CERC has released the final tariff order for the 101-MW Tripura gas project in April 2019, wherein it has allowed a completed project cost of Rs. 1,054 crore. This is 98% of the actual cost incurred by NEEPCO. The tariff for the station is expected to be around Rs. 4.50/unit in FY2020, considerably higher than the provisional tariff of Rs. 3.90/unit, leading to

<sup>2</sup> NEEPCO was unable to declare commissioning of Kameng in March 2018 following welding leakages in the two penstocks during the pre-commissioning trials

<sup>3</sup> ICRA had earlier expected incremental EBITDA of around Rs. 980 crore in FY2020 from Kameng, which is now revised downward to around Rs. 290 crore. This assumes Unit I/II achieving stabilisation in October 2019 and Unit III/IV achieving stabilisation in April 2020

<sup>4</sup> ICRA has assumed an equity infusion of Rs. 310 crore in FY2020 corresponding to the proportionate share of the operational Pare and Tuirial hydroelectric projects. The equity infusion budgeted for Kameng in the current fiscal by GoI stands at around Rs. 374 crore, and ICRA has not assumed the same to be infused in FY2020 as GoI approval for the revised cost estimate is pending

<sup>5</sup> Auxiliary energy consumption for NEEPCO's hydro generation stations increased from 1.0% to 1.2% in the 2019-2024 control period

<sup>6</sup> NAPAF for Kopili I reduced from 79% to 69%, Kopili II reduced from 69% to 67%, and Doyang reduced from 73% to 40% in the 2019-2024 control period

<sup>7</sup> For the 2019-2024 control period, auxiliary energy consumption for Assam increased from 2.5% to 2.75% and for the Agartala gas station increased from 2.5% to 3.1%

<sup>8</sup> For the 2019-2024 control period, normative station heat rates for the Assam gas stations have been increased from 2500 kcal/kwh to 2600 kcal/kwh and for the Agartala gas station has been increased from 2534 kcal/kwh to 2600 kcal/kwh

<sup>9</sup> For the 2019-2024 control period, NAPAF for Ranganadi increased from 85% to 88%

<sup>10</sup> For the 2019-2024 control period, the auxiliary energy consumption for the Tripura gas-station has been reduced from 3.5% to 3.3%

higher cash accruals going forward. However, unlike Tripura, the tariff order for the 60-MW Tuirial hydroelectric station which was released by CERC in October 2018, and the tariff stood at around Rs. 5.11/unit (excluding free power)<sup>11</sup> in FY2019, considerably lower than ICRA's expectation of Rs. 6.0/unit. Consequently, ICRA notes that at the prevailing approved tariff, the Tuirial project would incur an annual cash loss of around Rs. 10 crore, and debt servicing for Tuirial's project loans would require support from the cash flows of NEEPCO's other generation stations.

NEEPCO has secured gas-supply agreements for its three operational gas projects of 527-MW for a cumulative contracted quantity of 2.65 million metric standard cubic metre per day (mmscmd). Located in north-eastern India, NEEPCO gets the benefit of procuring gas at a significant discount to the Government notified basic price, helping the company pass-on the benefit of cheaper fuel cost through lower tariffs to the beneficiary states. ICRA notes that NEEPCO's energy charge rate for operational gas stations in FY2020 is expected to remain in a reasonable range of Rs. 1.9 – 2.6/kwh. However, against a cumulative contracted gas supply of 2.65 mmscmd, the actual average gas availability between January and June of 2019 stood much lower at 2.23 mmscmd for NEEPCO's three gas-based stations. Given the absence of alternate gas supply sources in the north-eastern region, this has led to a reduction in declared capacity and plant availability for NEEPCO's gas-based stations. In FY2019, for the Assam and Agartala gas-based power projects, against a normative plant availability of 72% and 85% respectively, the actual availability stood much lower at 64% and 60%. For the Tripura power project, despite the gas supply improving significantly from FY2018, the plant availability remained at 79% in FY2018 as well as in FY2019, lower than the normative availability of 85%. A lower plant availability than the normative levels has led to under-recovery of capacity charge for NEEPCO, which is estimated at around Rs. 93 crore in FY2019 for the Assam, Agartala, and Tripura gas stations. However, the gas availability at the Agartala plant is expected to improve going forward following increased gas supply by ONGC Limited from November 2018. This is expected to support a reduction in capacity charge under-recovery to Rs. 70 crore in FY2020 and Rs. 50 crore in FY2021.

The ratings also reflect NEEPCO's sovereign ownership and its strategic importance to the GoI, with the company playing a critical role in the power scenario in North-East India, meeting around 38% of the regional power demand. NEEPCO has received support from the GoI in the past, and such support is expected to continue going forward, should there be a need. The ratings also factor in 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-Eastern region, where competitive intensity is low due to the existence of only a few players. The ratings further incorporate NEEPCO's exposure to State Electricity Boards (SEB) having weak financial profile, resulting in significant counter party credit risks. Additionally, the company's customer base is less diversified, with Assam Power Distribution Company Limited alone having an allotted shared of around 36% of NEEPCO's total capacity of 2,057 MW.

NEEPCO's turnover increased by 27.1% year-on-year (YoY) in FY2019, supported by a) commissioning of the 110-MW Pare hydroelectric project in May 2018, b) first full year operations of the Tuirial hydroelectric project, c) arrear income of Rs. 86.7 crore booked by the Tripura gas project following a higher allowed tariff by CERC, d) delayed payment surcharge of Rs. 48.3 crore received during the period, largely from Meghalaya, e) Billing of Rs. 23.1 crore for forex losses incurred for foreign currency borrowings, and f) receipt of revenue grant of Rs. 18.5 crore in FY2019. Aided by a higher turnover, the operating profits and net cash accruals increased by 35% and 43% YoY, respectively, in FY2019. Notwithstanding a healthy growth in operating profits in FY2019, NEEPCO's total debt/OPBITDA<sup>12</sup> continued to remain high at 8.5 times in FY2019, against 10.8 times in FY2018, as Kameng's project debt stood at a sizeable amount of Rs. 4,500 crore as on March 31, 2019. Adjusting for Kameng's project debt, NEEPCO's total debt/OPBITDA remained at a moderate 3.1 times in FY2019. The delayed commissioning of Kameng, consequent part debt-funded cost escalation, and

<sup>11</sup> CERC has allowed a completion cost of Rs. 1251 crore for Tuirial, which is 14% lower than the actual cost incurred of Rs. 1460 crore. The O&M cost allowed is 2.5% against the eligible 4.0%, and the depreciation rate allowed is 2.0% for the initial 15 years against the eligible 5.28% (approx).

<sup>12</sup> Operating profits before depreciation, interest, tax, amortisation

a delay in receipt of equity from the GoI is expected to temper the debt coverage ratios in FY2020 compared to ICRA's earlier estimates. Given the lumpy long-term repayments scheduled in FY2021<sup>13</sup>, the company's ability to commission Kameng without further time and cost over-runs and maintain a healthy collection efficiency remain key rating sensitivities.

## Outlook: Negative

NEEPCO's overall borrowing levels are expected to further increase in FY2020 to partly fund the last-mile capex at Kameng and meet the working capital requirement following the expected commissioning of Kameng's first two units (2X150 MW) in Q2 FY2020. Consequently, the company's deleveraging plans, which were earlier expected to start from the current fiscal, is likely to be pushed back to the next fiscal. NEEPCO's outlook may be revised to 'Stable' if the company is able to commission the Kameng project without further time and cost escalations, the GoI infuses the pending equity for hydroelectric projects without further delay, the company firms up long-term power purchase agreement (PPA) for bulk of Kameng's untied capacity, and CERC approves a remunerative cost-plus tariff for the Kameng and Pare hydroelectric projects.

## Key rating drivers

### Credit strengths

**NEEPCO's sovereign ownership and demonstrated support from GoI** – NEEPCO is a 100% GoI undertaking. Over the years, the company has received demonstrated support from the parent in funding its sizeable ongoing projects, both in the form of equity infusion and soft loans at favourable repayment terms.

**Strategic importance of NEEPCO to the power scenario in the North-East** - NEEPCO has an installed power generation capacity of 1,457 MW (925 MW hydro, 527 MW gas, and 5 MW solar), located in the North Eastern region of India. It supplies power to all the seven states in the North East, meeting around 38% of the regional power requirement in FY2018.

**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 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.

**Stabilisation of operations of the Pare hydroelectric project, and improved gas supplies at the Agartala gas project to support higher generation levels** - Supported by the stabilisation of operations of the 110-MW Pare hydroelectric project, as well as an expected improvement in gas supplies at the 135-MW Agartala gas project, NEEPCO's generation levels from the existing stations (excluding Kameng) are expected to increase by 4.0% YoY 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. Between FY2013 and FY2019, the company has generated annual cash accruals ranging from Rs. 280 crore – Rs. 450 crore. Despite the large ongoing debt-funded capex, healthy accruals led to a conservative capital structure, as indicated by a gearing of 1.1 times as on March 31, 2019.

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<sup>13</sup> NEEPCO's scheduled long-term debt repayments would increase to Rs. 1083 crore in FY2021 against Rs. 151 crore in FY2020 (excludes repayment of short-term loans taken against the GoI equity)

**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.

**Significant reduction in receivable position** – Since FY2017, NEEPCO has been able to significantly improve its collection efficiency, as reflected by its receivable position declining from Rs. 1,026 crore as on March 31, 2016 to Rs. 441 crore as on March 31, 2017, and remaining at a comfortable level of Rs. 432 crore as on March 31, 2018. This has supported the company's liquidity profile and reduced its dependence on external debt to fund the ongoing capex. NEEPCO's receivables increased to Rs. 634 crore as on March 31, 2019, largely due to delays in payments from the Meghalaya Power Distribution Corporation Limited.

## Credit challenges

**Exposure to execution risks arising out of the ongoing Kameng project** - NEEPCO is yet to commission the 600-MW Kameng hydroelectric project, exposing the company to project execution risks. Such risks get accentuated owing to its location in Arunachal Pradesh, where operational hurdles remain high. NEEPCO has encountered further delays in commissioning of the Kameng project, and all the four units are now expected to be commissioned in stages during FY2020. With NEEPCO having sizeable debt repayments in FY2021, the buffer to commission and stabilise operations, before debt servicing picks up next fiscal, remains lower than earlier expectations.

**Regulatory risks associated with the approval of tariffs for Pare** - The tariff orders for NEEPCO's existing operational generation stations have been released by CERC for the period FY2015 to FY2019. This leads to regulatory clarity. However, CERC is yet to release the tariff order for the newly commissioned Pare project. In February 2019, CEA has vetted a total project cost of Rs. 1640.31 crore for Pare, which would entail a first-year tariff of around Rs. 5.7/unit. Any large cost-disallowances for Pare and Kameng by CERC can adversely impact the company's business returns.

**Offtake risks associated with Kameng** - At present, around 50% of Kameng's capacity has been tied-up under long-term PPA, and the company is under active discussions to tie-up the balance capacity. Supported by Kameng's favourable hydrology<sup>14</sup>, the tariff for the station is expected to remain competitive<sup>15</sup>, 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 by GoI** – As the revised cost estimate for the ongoing hydroelectric projects is yet to be approved by the Government, there has been a delay in equity infusion by the GoI to fund the equity contribution for the cost escalation at Kameng, Pare and Tuirial. This resulted in increased dependence on debt funding, in turn leading to increasing leveraging.

**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 counter-party 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. GoI has recently notified a proposed scheme for the mandatory operationalisation of payment security mechanisms for procuring power by distribution utilities by furnishing letter of credit with effect from August 1, 2019. This scheme, if successfully rolled out, could partly mitigate NEEPCO's counterparty credit risks.

<sup>14</sup> Kameng's annual design energy of 3353 million units represents a plant load factor of 63.8%

<sup>15</sup> Assuming Kameng's approved capital cost by CERC to be a lower Rs. 6424 crore (which is the cost incurred till March 31, 2018), as per the 2019-2024 CERC tariff regulations, the first year tariff for Kameng comes to around Rs. 4.6/unit

However, ability of weak state-owned power discoms to access banking lines, and more long-term structural issues of cost-reflective retail power tariffs would remain some of the key factors behind the successful implementation of the Gol scheme.

### Liquidity position:

In FY2020, NEEPCO is expected to generate an OPBITDA of Rs. 1056 crore, and net cash accruals of Rs. 483 crore<sup>16</sup>, against which the scheduled debt service commitments stand at Rs. 251 crore<sup>17</sup>. This gives a headroom of Rs. 232 crore to meet the utility's other obligations. NEEPCO's budgeted capex stand at Rs. 583 crore in FY2020, which includes the last-mile capex for Kameng. This gives a funding deficit of Rs. 351 crore, which is expected to be partly funded by a mix of a) drawal from the sanctioned short-term facilities of Rs. 500 crore, of which Rs. 400 crore remained undrawn as on March 31, 2019, and b) fresh long-term borrowings of around Rs. 200 crore to be raised during the current fiscal. In addition, the Gol has budgeted for the release of Rs. 684 crore equity in NEEPCO in FY2020, of which around Rs. 310 crore is assumed to be infused in FY2020, supporting the company's liquidity profile. In FY2020, post the expected commissioning of Kameng, NEEPCO's working capital requirement is likely to be around Rs. 197 crore, against which the company has undrawn working capital lines of Rs. 463 crore as on March 31, 2019, leading to a comfortable liquidity buffer.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Thermal Power Producers</a>
Parent Support	Parent: NEEPCO is a 100% Gol owned entity Given that NEEPCO meets around 38% of the power demand of North Eastern states, the assigned ratings factor in its strategic importance to the Gol, which ICRA expect should induce the Government to extend financial support to the rated entity, should there be a need.
Consolidation / Standalone <sup>18</sup>	The ratings are based on the standalone financial profile of the company.

### About the company

NEEPCO, which was incorporated as a 100% Gol-owned power generating company in April 1976, 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 scenario in the North East India as it meets around 38% of the overall regional power demand. NEEPCO has been conferred the "Mini Ratna – Category I" status by the Gol. The company has 1,457-MW generation capacity in operation, of which 925 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 600-MW Kameng hydroelectric project in Arunachal Pradesh.

In FY2019, the company reported a net profit of Rs. 213.94 crore on an operating income of Rs. 2,100.49 crore, compared to a net profit of Rs. 274.66 crore on an operating income of Rs. 1,653.19 crore in the previous year.

<sup>16</sup> Factoring in turnover of Rs. 365 crore and OPBITDA of Rs. 289 crore from Kameng, and Rs. 106 crore dividend payment to Gol in FY2020

<sup>17</sup> Includes repayment of short term loans taken against receipt of the Gol equity

<sup>18</sup> As on date, NEEPCO has only one associate company, KSK Dibbin Hydro Power Private Limited, in which it has a 30% equity holding

### Key standalone financial indicators (audited)

	FY2017	FY2018	FY2019
Operating Income (Rs. crore)	1,415.24	1,653.19	2,100.49
PAT (Rs. crore)	225.98	274.66	213.94
OPBDIT/OI (%)	38.34%	37.12%	39.40%
RoCE (%)	9.58%	12.84%	12.37%
Total Debt/TNW (times)	0.97	1.03	1.07
Total Debt/OPBDIT (times)	11.11	10.85	8.52
Interest coverage (times)	18.14	8.89	5.27

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for last three years:

Instrument		Current Rating (FY2020)				Chronology of Rating History for the Past 3 Years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating Jul'19	Date & Rating in FY2019		Date & Rating in FY2018		Date & Rating in FY2017	
						Aug'18	Oct'17	Jun'17	Mar'17	May'16	
1	Non-Convertible Debenture – XI <sup>th</sup> issue	LT	40.00	40.00	[ICRA]AA (Negative)	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	
2	Non-Convertible Debenture – XII <sup>th</sup> issue	LT	72.00	72.00	[ICRA]AA (Negative)	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	
3	Non-Convertible Debenture – XIII <sup>th</sup> issue	LT	58.00	58.00	[ICRA]AA (Negative)	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	
4	Non-Convertible Debenture – XIV <sup>th</sup> issue	LT	2500.00	2500.00	[ICRA]AA (Negative)	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	
5	Non-Convertible Debenture – XVI <sup>th</sup> issue	LT	900.00	900.00	[ICRA]AA (Negative)	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	
6	Non-Convertible Debenture – XVII <sup>th</sup> issue	LT	300.00	300.00	[ICRA]AA (Negative)	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA /Stable	-	
7	Non-Convertible Debenture – XVIII <sup>th</sup> issue	LT	500.00	500.00	[ICRA]AA (Negative)	[ICRA]AA /Stable	[ICRA]AA /Stable	-	-	-	
8	Non-Convertible Debenture – XIX <sup>th</sup> issue	LT	300.00	300.00	[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 – XX <sup>th</sup> issue	LT	300.00	0.00	[ICRA]AA (Negative)	[ICRA]AA /Stable	-	-	-	-	
11	Issuer Rating	LT	-	-	[ICRA]AA (Negative)	[ICRA]AA /Stable <sup>^</sup>	[ICRA]AA /Stable <sup>^</sup>	IrAA /Stable	IrAA /Stable	IrAA /Stable	
12	Fund Based Limit – Long Term/Short Term	LT/ST	700.00	182.37**	[ICRA]AA (Negative)/ [ICRA]A1+	[ICRA]AA /Stable [ICRA]A1+	[ICRA]AA /Stable [ICRA]A1+	[ICRA]AA /Stable [ICRA]A1+	[ICRA]A1+	[ICRA]A1+	

<sup>^</sup>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, 2019, limits rated on both long term and short-term scales attracting tenure as per usage

## 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 [click here](#)



## 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 – XI <sup>th</sup> issue	Dec 15, 2011	10.20%	Dec 15, 2021	40.00	[ICRA]AA(Negative)
INE636F07167	Non-Convertible Debenture – XII <sup>th</sup> issue	Jun 27, 2012	9.25%	Jun 27, 2022	120.00	[ICRA]AA(Negative)
INE636F07175	Non-Convertible Debenture – XIII <sup>th</sup> issue	Mar 15, 2013	9.00%	Mar 15, 2023	72.50	[ICRA]AA(Negative)
INE636F07183	Non-Convertible Debenture – XIV <sup>th</sup> issue	Oct 01, 2014	9.60%	Oct 01, 2024	2500.00	[ICRA]AA(Negative)
INE636F07209	Non-Convertible Debenture – XV <sup>th</sup> issue	Sep 30, 2015	8.68%	Sep 30, 2030	900.00	[ICRA]AA(Negative)
INE636F07217	Non-Convertible Debenture – XVI <sup>th</sup> issue	Mar 27, 2017	7.80%	May 27, 2020	300.00	[ICRA]AA(Negative)
INE636F07225	Non-Convertible Debenture – XVII <sup>th</sup> issue	Nov 15, 2017	7.68%	Nov 15, 2025	500.00	[ICRA]AA(Negative)
INE636F07233	Non-Convertible Debenture – XVIII <sup>th</sup> issue	Mar 06, 2018	8.75%	Mar 06, 2028	300.00	[ICRA]AA(Negative)
INE636F07241	Non-Convertible Debenture – XIX <sup>th</sup> issue	Nov 29, 2018	9.50%	Nov 29, 2025	300.00	[ICRA]AA(Negative)
NA	Issuer Rating	-	-	-	-	[ICRA]AA(Negative)
NA	Fund Based Limit – Long Term/Short Term	-	8.10%-8.35%	ST loans having maturity upto 1 year from drawl	700.00	[ICRA]AA(Negative) / [ICRA]A1+

Source: Company

## 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.

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