June 07, 2021

North Eastern Electric Power Corporation Limited: Ratings reaffirmed; outlook revised to Positive; short-term rating assigned to commercial paper programme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture – XI[th] issue	40.00	40.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Non-Convertible Debenture – XII[th] issue	72.00	48.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Non-Convertible Debenture – XIII[th] issue	43.50	29.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Non-Convertible Debenture – XIV[th] issue	2500.00	2000.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Non-Convertible Debenture – XVI[th] issue	900.00	900.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Non-Convertible Debenture – XVIII[th] issue	500.00	500.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Non-Convertible Debenture – XIX[th] issue	300.00	300.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Non-Convertible Debenture – XX[th] issue	300.00	300.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Non-Convertible Debenture – XXI[th] issue	150.00	150.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Non-Convertible Debenture – XXII[th] issue	500.00	500.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Issuer Rating	-	-	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Fund Based Limit – Short Term/Long Term Loan	1193.00	1193.00	[ICRA]AA/ [ICRA]A1+ reaffirmed; Outlook revised to Positive from Stable
Fund Based Limit – Long Term Loan	1250.00	1250.00	[ICRA]AA reaffirmed; Outlook revised to Positive from Stable
Commercial Paper	-	200.00	[ICRA]A1+ assigned
Total	**7,748.50**	**7,410.00**	

**Instrument details are provided in Annexure-1*

Rationale

The revision in North Eastern Electric Power Corporation Limited's (NEEPCO) long-term rating outlook to Positive from Stable factors in the commissioning of all four units of the 4X150-MW Kameng hydroelectric project in FY2021, which significantly reduces the company's exposure to execution risks. NEEPCO's installed generation capacity of 2,057-MW has an annual generation potential of around 10,000 million units (MU), against which the company generated 6,870 MU in FY2021, leaving a potential upside of ~45% from the FY2021 levels. Consequently, ICRA expects NEEPCO's earnings to increase over the next 2-3 years as the benefits of the Kameng project starts flowing fully after the plant gradually scales up its generation levels. The ratings factor in NEEPCO's operational synergies with NTPC Limited (NTPC, rated [ICRA]AAA (Stable)/ [ICRA]A1+), and its strategic importance to the power scenario in the North East. The ratings also 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 the existing projects because of its competitive cost of power and the location of its plants in the North East, where competition is low owing to the presence of only a few players. Except for the Kameng hydroelectric project, 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 operating profit margins, steady cash accruals, and a conservative capital structure.

The ratings are, however, tempered by the significant cost overruns in the Kameng hydroelectric project, which accentuate regulatory risks associated with any potential capital cost disallowance by the Central Electricity Regulatory Commission (CERC). The ratings are also constrained by NEEPCO's exposure to offtake risks associated with Kameng's untied capacity[1]. Nonetheless, ICRA notes that the Government of India's (GoI) policy reform related to implementation of hydro power obligations (HPO) for discoms is likely to increase the commercial viability of hydropower projects, which are getting commissioned after March 2019. This is likely to support NEEPCO to tie-up long-term PPA for ~50% of Kameng's capacity which remains untied as of now.

NEEPCO's 527-MW gas-based stations have long-term arrangement to source domestic natural gas at a competitive rate. This leads to the energy charge for gas-based stations remaining competitive, varying between 1.4/kwh to 2.3/kwh. However, their performance is adversely impacted by the periodic shortages in gas supply, leading to the stations operating at suboptimal PLFs[2]. With no alternative gas supply arrangement, the PAFs[3] for NEEPCO's gas stations are lower than the normative benchmarks, leading to an under-recovery of capacity charge. NEEPCO is also exposed to the execution risks associated with the renovation and modernisation (R&M) project for life extension of the Kopili-I (4X50 MW) hydroelectric project. In addition, there has been a prolonged delay in equity[4] infusion for the Kameng, Pare and Tuirial hydroelectric projects, which led to higher dependence on external borrowings.

NEEPCO's exposure to the state electricity boards (SEB), having weak financial profiles, expose it 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 35% of NEEPCO's total capacity of 2,057 MW. However, NEEPCO has benefited from the Government's Rs. 1.2-lakh crore Atmanirbhar liquidity package for discoms, which led to a significant reduction in its receivable position during FY2021. Going forward, NEEPCO's ability to achieve operational stability and tying-up of long-term PPA for the Kameng hydroelectric project, commissioning of the Kopili-I R&M project within the budgeted time and costs and maintaining a healthy collection efficiency would remain key rating drivers.

Key rating drivers and their description

Credit strengths

Commissioning of all four units of the Kameng hydroelectric project in FY2021 – Over the last one decade, NEEPCO has made a sizeable capital deployment of Rs. 12,794 crore for setting up power generation capacities accumulating to 927 MW. This has been partly funded by debt, resulting in NEEPCO's external borrowings steadily rising to Rs. 8,040 crore in FY2020 from Rs. 637 crore in FY2010. With the growth capex waning down following the commissioning of the 600-MW Kameng hydroelectric project (NEEPCO's largest investment till date), the company's exposure to execution risks reduces significantly. Additionally, NEEPCO's debt levels have started declining sequentially from FY2021, and ICRA expects the deleveraging momentum to pick up in the next few years as the company is not actively pursuing any new projects in the next few years apart from the R&M of the Kopili-I hydroelectric project and additional capitalisation for the ongoing hydroelectric projects.

Operational synergies with NTPC Limited; expectation of need-based funding support from NTPC – The rating 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

[1] Around 50% of Kameng's capacity is awaiting long-term PPA tie-up

[2] Plant load factor

[3] Plant availability factor

[4] 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

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. Besides 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. Besides, it would be able to leverage NTPC's high bargaining power and strong relationships with power distribution companies (discoms), ensuring timely collections of monthly bills and market power from NEEPCO's upcoming stations at remunerative tariffs.

The ratings assigned to NEEPCO also 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 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.

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 2,057 MW (1,525 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 FY2021. Therefore, NEEPCO remains a strategically important entity to the GoI.

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 hydropower stations are eligible for getting a return on equity (RoE) of 16.5% (except Doyang where the RoE has been capped at 10%) and the gas-based stations are eligible for RoE of 15.5%. Subject to the operational performance of NEEPCO's power plants being in line with the normative benchmarks, the company would be able to generate a predictable stream of earnings. ICRA notes that the operational performance of NEEPCO's ongoing projects remains satisfactory.

Competitive blended tariff for the generation asset portfolio supported by low-cost gas supply and low regulatory asset base of older power stations - Supported by the low regulated asset base of its older hydropower generation stations, and the benefit of being able to procure gas at 60% of the domestic notified price, NEEPCO's tariff for operational plants remained competitive at Rs. 3.6/kwh in FY2021. Notwithstanding the significant cost escalations in the Kameng, Pare, and Tuirial hydroelectric projects, NEEPCO's blended tariff is expected to remain competitive, in the range of Rs. 3.9 – 4.2/unit over the next 2-3 years.

Large recovery of arrears in FY2021 supported liquidity - NEEPCO has benefited from the Government's Rs. 1.2-lakh crore Atmanirbhar liquidity package for discoms, which led to a reduction in its receivable position, thereby strengthening the company's liquidity profile. ICRA understands that NEEPCO was able to recover Rs. 198.44 crore in January 2021 and Rs. 127.54 crore in March 2021 from Meghalaya Power Distribution Corporation Limited due to funding from PFC/REC as a part of the Atmanirbhar package. This led to a reduction in the overall receivables by Rs. 263 crore in Q4 FY2021. The company is expected to further receive Rs. 326 crore from Meghalaya in Q1 FY2022, which would further bring down NEEPCO's receivables and working capital borrowing levels.

Comfortable financial profile reflected by healthy profit margins, steady cash accruals, and conservative capital structure - NEEPCO's healthy operating profit margins, steady cash accruals, and conservative capital structure strengthen its financial profile. The company's annual cash accruals stood in the range of Rs. 280 crore – Rs. 726 crore between FY2013 and FY2021. Despite the large ongoing debt-funded capex, healthy accruals led to a conservative capital structure, as indicated by a gearing of 1.2 times as on March 31, 2021. NEEPCO's installed generation capacity of 2057-MW has a generation potential of around 10,000 MU, against which the company recorded a generation of 6,870 MU in FY2021, leaving a potential upside of ~45% from the FY2021 levels. Around 70% of NEEPCO's long-term debt outstanding as on March 31, 2021 was accounted by the Kameng hydroelectric project, benefits of which are expected to flow in fully over the next 2-3 years after the plant gradually increases generation levels closer to the design generation and achieve the key milestone of tying-up long-term PPA at a cost-reflective tariff for the balance capacity. Consequently, with the Kameng project yet to demonstrate its full revenue potential, NEEPCO's Total Debt/OPBITDA[5] remained adverse at 6.2 times in FY2021. However, ICRA expects NEEPCO's Total debt/ OPBITDA to moderate to around 2.7 times over the medium term, following higher revenues from the Kameng project and resumption of the Kopili-I hydroelectric project from FY2023 following the completion of the ongoing R&M project.

Credit challenges

Offtake risks associated with the Kameng hydroelectric project – At present, around 50% of the Kameng project's capacity has been tied up under the long-term PPA, and the company is under discussions to tie up the balance capacity. Supported by the Kameng project's favourable hydrology[6], the tariff for the station is likely to remain competitive[7], mitigating offtake risks to an extent. Going forward, firming up of the Kameng project's untied capacity through long-term PPAs at remunerative tariffs would remain an important rating driver. In this context, ICRA notes that the Ministry of Power (MoP) has recently notified the trajectory of hydro power obligations (HPO) for discoms, which would steadily increase to 2.82% in FY2030 from 0.18% in FY2022. The MoP has also fixed a ceiling price of Rs. 5.50/kwh for hydro energy certificates (in the base years of FY2020/FY2021) with an annual escalation of 5%. This policy reform is likely to increase the commercial viability of hydropower projects getting commissioned after March 2019.

Regulatory risks associated with the tariff approval 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 led to a 27% increase in the project's completion cost to an estimated Rs. 8,153 crore. Recoverability of this cost increase through tariff by CERC remains uncertain, exposing the company to regulatory uncertainties. ICRA, however, notes that given the Kameng project's favourable hydrology, though its installed capacity is 600 MW, its design energy is comparable to a hydroelectric project of 1,000-1,200 MW capacity. This favourable hydrology has been possible owing to the unique combination of rainfed and snowfed water from the Bichom and Digen rivers respectively. These two rivers meet upstream of the dam site, making water being available throughout the year. Kameng's high design PLF of 63.8% has been the key reason behind the station's competitive tariff despite significant time and cost escalations in the past.

Exposure to execution risks arising out of the ongoing renovation and modernisation project at Kopili-I – NEEPCO is undertaking a comprehensive R&M project for life extension of the Kopili-I (200 MW) hydroelectric project 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 initial cost estimate of the R&M works stood at Rs. 709 crore, which has now been revised upwards to Rs. 917 crore[8]. Consequently, Kopili-I's first year tariff has been increased to Rs. 3.3/unit against Rs. 2.6/unit assumed earlier. Notwithstanding this increase, Kopili-I's tariff would remain competitive. However, the revised CoD has been deferred by one year to the end of FY2023.

Delay in equity infusion for newly developed hydroelectric projects resulting in an increase in leverage – There has been a prolonged delay in equity infusion by the GoI to fund the equity contribution for the cost escalation at the Kameng, Pare and Tuirial hydroelectric projects. This resulted in increased dependence on debt funding, resulting in a rising leverage. However, NEEPCO has an investment commitment of Rs. 1,814.97 crore from NTPC and an in-principle grant of Rs. 133.99 crore from the Ministry of Development of North Eastern Region (DoNER). A timely release of the same can accelerate NEEPCO's deleveraging efforts, in turn strengthening its credit metrics.

Periodic shortages in gas supply has adversely impacted capacity charge recovery from gas-based power stations – NEEPCO's gas stations benefit from cheaper source of gas, but their performance gets adversely impacted by the periodic shortages in

[5] Operating profits before interest, tax, depreciation and amortisation
[6] Kameng's annual design energy of 3353 million units represents a plant load factor of 63.8%
[7] Assuming Kameng's approved capital cost by CERC to be a lower Rs. 6,424 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. 4.6/unit
[8] ICRA's estimate for the Kopili-I's R&M cost is Rs. 1,050 crore, assuming some cost escalations over the budgeted cost of Rs. 917 crore

gas supply, leading to the stations operating at suboptimal PLFs. This not only adversely impacts plant efficiency parameters like station heat rate and auxiliary power consumption, but also affects the plant's PAF as there is no alternative gas supply arrangement for these stations. Consequently, the PAF is lower than the normative benchmarks, leading to capacity charge under-recovery.

Exposure to customer concentration and counterparty credit risks from financially weak state discoms – NEEPCO's customer profile primarily 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 counterparty credit risks.

Liquidity position: Adequate

During the decade-long capex phase spanning over FY2010 – FY2020, NEEPCO consistently reported negative free cash flows, leading to an increase in external borrowings. However, with all the projects getting commissioned in FY2021, and the capex tapering down, NEEPCO's free cash flows swung in the positive territory in FY2021 after a gap of 11 years. With no new project (apart from Kopili-I R&M) actively under construction, ICRA expects NEEPCO to report positive free cash flows over the medium term, which can be channelised to bring down the debt levels. Notwithstanding its positive free cash flows, NEEPCO has lumpy scheduled repayments, leading to refinancing dependence. However, NEEPCO has exhibited a high degree of financial flexibility, as indicated by its ability to raise funds at competitive rates. Apart from the company's improving free cash flows and high financial flexibility, NEEPCO's liquidity is supported by its sizeable undrawn working capital and project funding lines. The company is looking to tie-up bank lines of Rs. 1,000 crore in FY2022 to fund the R&M works for the Kopili-I hydroelectric project. In addition, as on March 31, 2021, NEEPCO has undrawn project debt of Rs. 450 crore and Rs. 729 crore undrawn working capital lines, which provides a comfortable liquidity buffer. Consequently, NEEPCO's liquidity has been assessed as **Adequate**.

Rating sensitivities

Positive factors – ICRA may upgrade NEEPCO's ratings if:

- The Kameng project achieves 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 bulk of the Kameng project'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[9], mitigating regulatory risks
- The company receives a large share of the pending equity from the parent for the completed hydroelectric projects, leading to accelerated deleveraging

Negative factors – Pressure on NEEPCO's ratings may arise if:

- The company is unable to realise a cost-reflective tariff for the Kameng project, and/or generation achieved from the Kameng project is significantly lower than the design energy on a sustained basis leading to lower than expected earnings
- A weakening in the credit profile of the parent (NTPC), and/or any weakening in the linkages of NEEPCO with the parent
- Any large debt funded capex undertaken by NEEPCO leading to a sustained increase in borrowings and deterioration in debt protection metrics

[9] Against Kamen's completion cost of Rs. 8,153 crore, ICRA has factored in an approved capital cost by CERC to be much lower at Rs. 6,424 crore (which was the cost incurred till March 31, 2018 when the first pre-commissioning trial failed following leakage at the penstock)

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[10]	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 the north-eastern region of India. NEEPCO assumes strategic importance to the power sector in the North East India as it meets around 35% 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 2,057-MW, of which 1,525 MW is hydro based, 527-MW is gas based, and the balance 5-MW is solar power based. With the 200-MW Kopili-I hydroelectric project currently under renovation and modernisation (R&M), NEEPCO's operational generation capacity of NEEPCO stands at 1857-MW. On March 27, 2020, NTPC acquired NEEPCO's 100% equity stake from the Government of India (GoI), following which the latter became NTPC's wholly-owned subsidiary.

Key financial indicators (audited)

NEEPCO (Standalone)	FY2020	FY2021 (Provisional)
Operating Income (Rs. crore)	2,166.3	2,553.3
PAT (Rs. crore)	165.8	48.2
OPBDIT/OI (%)	36.7%	49.8%
PAT/OI (%)	7.7%	1.9%
Total Outside Liabilities/Tangible Net Worth (times)	1.4	1.4
Total Debt/OPBDIT (times)	10.1	6.2
Interest Coverage (times)	4.6	2.5

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

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

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2021 (Rs. crore)	Date & Rating In FY2022	Date & Rating in FY2021		Date & Rating in FY2020			Date & Rating in FY2019
					Jun 7, 2021	Oct 6, 2020	Jun 2, 2020	Feb 5, 2020	Sep 13, 2019	Jul 26, 2019	Aug 2, 2018
1	Non-Convertible Debenture – XI^th issue	LT	40.00	40.00	[ICRA]AA /Positive	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable
2	Non-Convertible Debenture – XII^th issue	LT	72.00	48.00	[ICRA]AA /Positive	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable
3	Non-Convertible Debenture – XIII^th issue	LT	43.50	29.00	[ICRA]AA / Positive	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable
4	Non-Convertible Debenture – XIV^th issue	LT	2,500.00	2000.00	[ICRA]AA / Positive	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable
5	Non-Convertible Debenture – XVI^th issue	LT	900.00	900.00	[ICRA]AA / Positive	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable
6	Non-Convertible Debenture – XVII^th issue	LT	-	-	-	[ICRA]AA /Stable (Withdrawn)	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable
7	Non-Convertible Debenture – XVIII^th issue	LT	500.00	500.00	[ICRA]AA / Positive	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable
8	Non-Convertible Debenture – XIX^th issue	LT	300.00	300.00	[ICRA]AA / Positive	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable
9	Non-Convertible Debenture – Unplaced (Rs. 200 crore)	LT	-	-	-	-	-	-	-	[ICRA]AA /Negative* Rating Withdrawn	[ICRA]AA /Stable

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2021 (Rs. crore)	Date & Rating In FY2022	Date & Rating in FY2021		Date & Rating in FY2020			Date & Rating in FY2019
					Jun 7, 2021	Oct 6, 2020	Jun 2, 2020	Feb 5, 2020	Sep 13, 2019	Jul 26, 2019	Aug 2, 2018
10	Non-Convertible Debenture – XXth issue	LT	300.00	300.00	[ICRA]AA / Positive	[ICRA]AA /Stable	[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 / Positive	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	-	-
12	Non-Convertible Debenture – XXIIth issue	LT	500.00	500.00	[ICRA]AA / Positive	[ICRA]AA /Stable	[ICRA]AA /Stable	-	-	-	-
13	Issuer Rating	LT	-	-	[ICRA]AA / Positive	[ICRA]AA /Stable	[ICRA]AA /Stable	[ICRA]AA &	[ICRA]AA /Negative	[ICRA]AA /Negative	[ICRA]AA /Stable
14	Fund Based Limit – Long Term/Short Term	LT/ST	1,193.00	360.65	[ICRA]AA / Positive [ICRA]A1+	[ICRA]AA /Stable [ICRA]A1+	[ICRA]AA /Stable [ICRA]A1+	[ICRA]AA & [ICRA]A1+	[ICRA]AA /Negative [ICRA]A1+	[ICRA]AA /Negative [ICRA]A1+	[ICRA]AA /Stable [ICRA]A1+
15	Fund Based Limit – Long Term Loan	LT	1,250.00	800.00	[ICRA]AA / Positive	[ICRA]AA /Stable	-	-	-	-	-
16	Commercial Paper	ST	200.00	-	[ICRA]A1+	-	-	-	-	-	-

&= Under watch with developing implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-Convertible Debenture – XI[th] issue	Very Simple
Non-Convertible Debenture – XII[th] issue	Very Simple
Non-Convertible Debenture – XIII[th] issue	Very Simple
Non-Convertible Debenture – XIV[th] issue	Very Simple
Non-Convertible Debenture – XVI[th] issue	Very Simple
Non-Convertible Debenture – XVIII[th] issue	Very Simple
Non-Convertible Debenture – XIX[th] issue	Very Simple
Non-Convertible Debenture – XX[th] issue	Very Simple
Non-Convertible Debenture – XXI[th] issue	Very Simple
Non-Convertible Debenture – XXII[th] issue	Very Simple
Issuer Rating	Not Applicable
Fund Based Limit – Short Term/Long Term Loan	Very Simple
Fund Based Limit – Long Term Loan	Simple
Commercial Paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's 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 (Positive)
INE636F07167	Non-Convertible Debenture – XIIth issue	Jun 27, 2012	9.25%	Jun 27, 2022	48.00	[ICRA]AA (Positive)
INE636F07175	Non-Convertible Debenture – XIIIth issue	Mar 15, 2013	9.00%	Mar 15, 2023	29.00	[ICRA]AA (Positive)
INE636F07183	Non-Convertible Debenture – XIVth issue	Oct 01, 2014	9.60%	Oct 01, 2024	2000.00	[ICRA]AA (Positive)
INE636F07209	Non-Convertible Debenture – XVIth issue	Sep 30, 2015	8.68%	Sep 30, 2030	900.00	[ICRA]AA (Positive)
INE636F07225	Non-Convertible Debenture – XVIIIth issue	Nov 15, 2017	7.68%	Nov 15, 2025	500.00	[ICRA]AA (Positive)
INE636F07233	Non-Convertible Debenture – XIXth issue	Mar 06, 2018	8.75%	Mar 06, 2028	300.00	[ICRA]AA (Positive)
INE636F07241	Non-Convertible Debenture – XXth issue	Nov 29, 2018	9.50%	Nov 29, 2025	300.00	[ICRA]AA (Positive)
INE636F07258	Non-Convertible Debenture – XXIth issue	Sep 26, 2019	8.69%	Sep 26, 2027	150.00	[ICRA]AA (Positive)
INE636F07266	Non-Convertible Debenture – XXIIth issue	Jun 10, 2020	7.55%	Jun 10, 2028	500.00	[ICRA]AA (Positive)
NA	Issuer Rating	-	-	-	-	[ICRA]AA (Positive)
NA	Fund Based Limit – Long Term/Short Term	-	-	ST loans having maturity upto 1 year from drawl	1193.00	[ICRA]AA (Positive)/ [ICRA]A1+
NA	Fund Based Limit – Long Term Loan	-	-	Repayment starts from FY2023 and repayable in 24 ballooning quarterly instalments till FY2028	1250.00	[ICRA]AA (Positive)
NA	Commercial Paper (Not yet placed)	-	-	-	200.00	[ICRA]A1+

Source: *Company*

Annexure-2: List of entities considered for consolidated analysis

As on March 31, 2021, NEEPCO has only one associate company, KSK Dibbin Hydro Power Private Limited in which it has a 30% equity holding. The investment in KSK Dibbin Hydro Power Private Limited has been written off entirely in FY2021.

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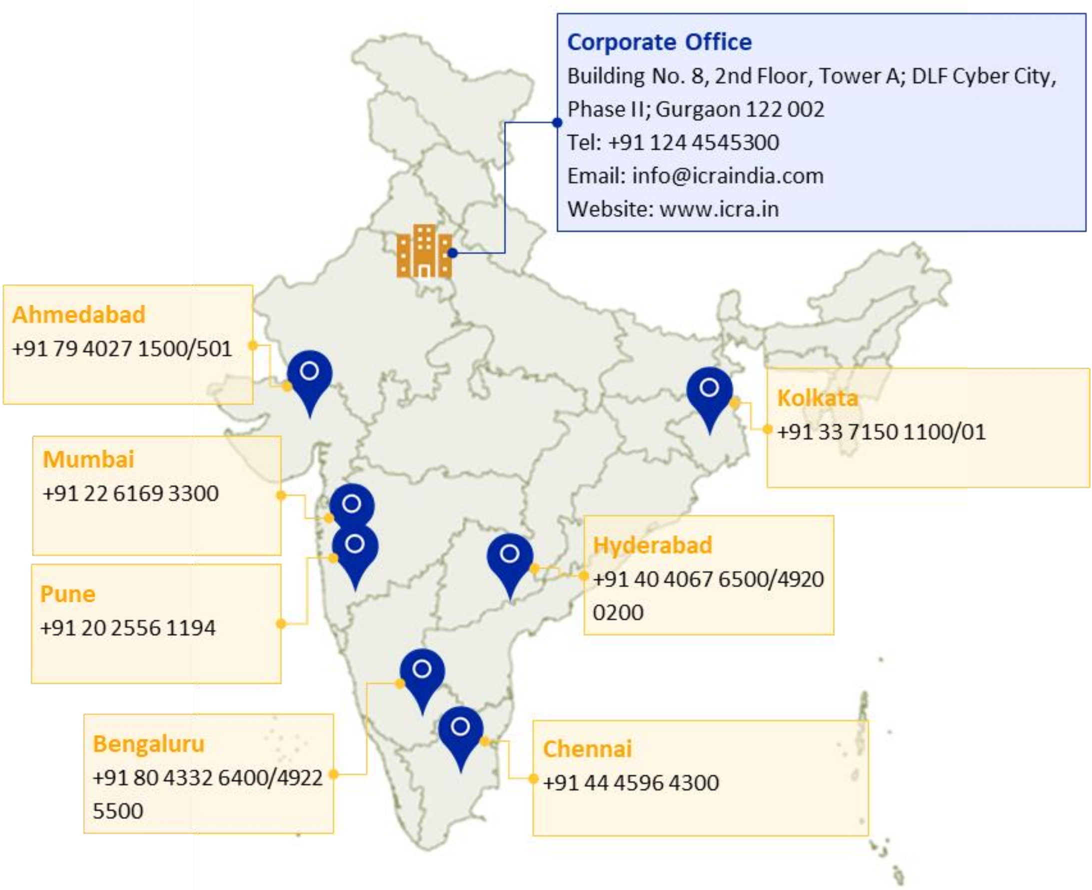

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