

January 09, 2024

## Tata Cleantech Capital Limited: Ratings withdrawn

### Summary of rating action

| Instrument*                | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action        |
|----------------------------|--------------------------------------|-------------------------------------|----------------------|
| Commercial Paper Programme | 2,000.00                             | 0                                   | [ICRA]A1+; withdrawn |
| <b>Total</b>               | <b>2,000.00</b>                      | <b>0</b>                            |                      |

\*Instrument details are provided in Annexure-I; Withdrawal at request of company, to be transferred to Tata Capital Limited

### Rationale

On March 28, 2023, Tata Capital group through its disclosure on exchanges informed that the board of directors have approved the scheme of arrangement for merger of Tata Capital Financial Services Limited (TCFSL) and Tata Cleantech Capital Limited (TCCL) with Tata Capital Limited (TCL). The scheme of amalgamation has been approved by requisite NCLT branches and the scheme of amalgamation by way of merger of TCFSL and TCCL with TCL is effective from January 1, 2024.

As part of the scheme of amalgamation, TCCL has been merged with TCL and the debt instruments of TCCL have been transferred to TCL and in line with ICRA's Policy on Withdrawal of Credit Ratings, the ratings assigned for debt programme of TCCL stand withdrawn.

**The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)**

### Analytical approach

| Analytical Approach             | Comments   |
|---------------------------------|--|
| Applicable Rating Methodologies | <a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a><br><a href="#">Policy on withdrawal of Credit Ratings</a> |
| Parent/Group Support            | Not Applicable   |
| Consolidation/Standalone        | Not Applicable   |

### About the company

#### Tata Cleantech Capital Limited

Tata Cleantech Capital Limited (TCCL) was established in September 2011 as a joint venture between Tata Capital Limited (TCL) and International Finance Corporation (IFC). TCCL is a Systemically Important Non Deposit Accepting Non-Banking Financial Company (SI-ND-NBFC) registered with the Reserve Bank of India and classified as an Infrastructure Finance Company ("NBFC-IFC"). TCCL provides finance and advisory services for projects in renewable energy, energy efficiency, waste management, water management and other infrastructure projects. As on September 30, 2023, the portfolio of Rs. 10,885 crore included projects for solar power (including rooftops) (38%), wind power (14%), hybrid (9%), road (7%), power transmission (3%) and others (29%). In H1FY2024, the company reported a net profit of Rs. 186 crore on a total income of Rs. 637 crore as compared to a net profit of Rs. 130 crore on a total income of Rs. 453 crore in H1FY2023.

#### Tata Capital Limited

TCL is a subsidiary of Tata Sons Limited, which holds 94.6% of TCL as on September 30, 2023. The balance shareholding of TCL is owned by Tata Investment Corporation Limited, TCL Employee Welfare Trust and others.

The company reported a standalone net profit of Rs. 720 crore on a total standalone asset base of Rs. 15,163 crore in FY2023 compared to a net profit of Rs. 83 crore on a total asset base of Rs. 11,263 crore in FY2022. Further, the company reported a net profit of Rs. 39crore on a total asset base of Rs. 15,803 crore in H1FY2024.

On a consolidated basis, TCL reported a PAT of Rs. 2,946 crore on total asset base of Rs. 135,562 crore in FY2023 compared to a PAT of Rs. 1,801 crore on total asset base of Rs. 102,376 crore in FY2022. Further, the company reported a net profit of Rs. 1,539 crore on a total asset base of Rs. 1,46,780 crore in H1FY2024.

#### **Tata Sons Limited**

Tata Sons Limited, founded in 1917 by the Tata Group's founder, Shri JN Tata, is the principal holding company for the Tata Group and owner of the Tata brand and associated trademark. Charitable trusts own most of Tata Sons' shareholding at 66%. While income from dividends and profits generated on sale of investments constitutes the principal revenue source for the company, it also includes royalty fees earned from the Group companies for using the Tata brand. Such fees, however, are largely spent on brand promotion. TCS, one of the largest software companies in India and the highest contributor to Tata Sons in terms of revenues and profits, was spun-off as a separate entity during FY2005. Currently, Tata Sons' equity investments are spread across seven major industry segments and include investments in flagship concerns like TCS, Tata Steel Limited, The Tata Power Company Limited, Tata Motors Limited, Tata Chemicals Limited, Titan Company Limited and Tata Consumer Products Limited, among others.

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

**Any other information: None**

### Rating history for past three years

|          | Instrument              | Current Rating (FY2024) |                          |  | Chronology of Rating History for the past 3 years |                                     |                         |                                     |
|----------|-------------------------|-------------------------|--------------------------|--|---|-------------------------------------|-------------------------|-------------------------------------|
|          |                         | Type                    | Amount Rated (Rs. crore) | Amount Outstanding as of Dec-31-23 (Rs. crore) | Date & Rating in FY2024                           | Date & Rating in FY2023             | Date & Rating in FY2022 | Date & Rating in FY2021             |
| <b>1</b> | <b>Commercial Paper</b> | Short Term              | 2,000                    | 1,500  | Jan-9-24<br>[ICRA]A1+; withdrawn                  | Feb-21-23<br>Jan-27-23<br>[ICRA]A1+ | Jan-20-22<br>[ICRA]A1+  | Jan-22-21<br>Oct-29-20<br>[ICRA]A1+ |

Source: Company, ICRA Research

### Complexity level of the rated instrument

| Instrument       | Complexity Indicator |
|------------------|----------------------|
| 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 analysing 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: [Click Here](#)

**Annexure-I: Instrument details as on December 31, 2023**

| ISIN         | Instrument Name            | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|--------------|----------------------------|-----------------------------|-------------|---------------|--------------------------|----------------------------|
| INE857Q14AC0 | Commercial Paper Programme | Jul-14-23                   | NA          | Jul-12-24     | 100                      | [ICRA]A1+; withdrawn       |
| INE857Q14AD8 | Commercial Paper Programme | Jul-19-23                   | NA          | Jul-18-24     | 100                      | [ICRA]A1+; withdrawn       |
| INE857Q14AF3 | Commercial Paper Programme | Nov-29-23                   | NA          | Feb-28-24     | 100                      | [ICRA]A1+; withdrawn       |
| INE857Q14AG1 | Commercial Paper Programme | Dec-08-23                   | NA          | Mar-07-24     | 400                      | [ICRA]A1+; withdrawn       |
| INE857Q14AH9 | Commercial Paper Programme | Dec-13-23                   | NA          | Mar-13-24     | 700                      | [ICRA]A1+; withdrawn       |
| INE857Q14AI7 | Commercial Paper Programme | Dec-18-23                   | NA          | Mar-18-24     | 100                      | [ICRA]A1+; withdrawn       |
| NA^          | Commercial Paper Programme | NA                          | NA          | 7-365 days    | 500.00                   | [ICRA]A1+; withdrawn       |

Source: Company; ^Yet to be placed

**Annexure-II: List of entities considered for consolidated analysis**

| Company Name                             | Ownership* | Consolidation Approach |
|--|------------|------------------------|
| Tata Capital Limited                     | Parent     | Full consolidation     |
| Tata Capital Financial Services Limited# | 100%       | Full consolidation     |
| Tata Capital Housing Finance Limited     | 100%       | Full consolidation     |
| Tata Cleantech Capital Limited#          | 80.50%     | Full consolidation     |
| Tata Securities Limited                  | 100%       | Full consolidation     |
| Tata Capital Growth Fund                 | 73.75%     | Full consolidation     |
| Tata Capital Special Situation Fund      | 28.20%     | Full consolidation     |
| Tata Capital Innovation Fund             | 27.79%     | Full consolidation     |
| Tata Capital Growth Fund II              | 34.02%     | Full consolidation     |
| Tata Capital Healthcare Fund I           | 32.17%     | Full consolidation     |
| Tata Capital Healthcare Fund II          | 19.86%     | Full consolidation     |
| Tata Capital Pte Limited                 | 100%       | Full consolidation     |

Source: Annual report FY2023; \*By TCL; Ceased to exist from January 1, 1024

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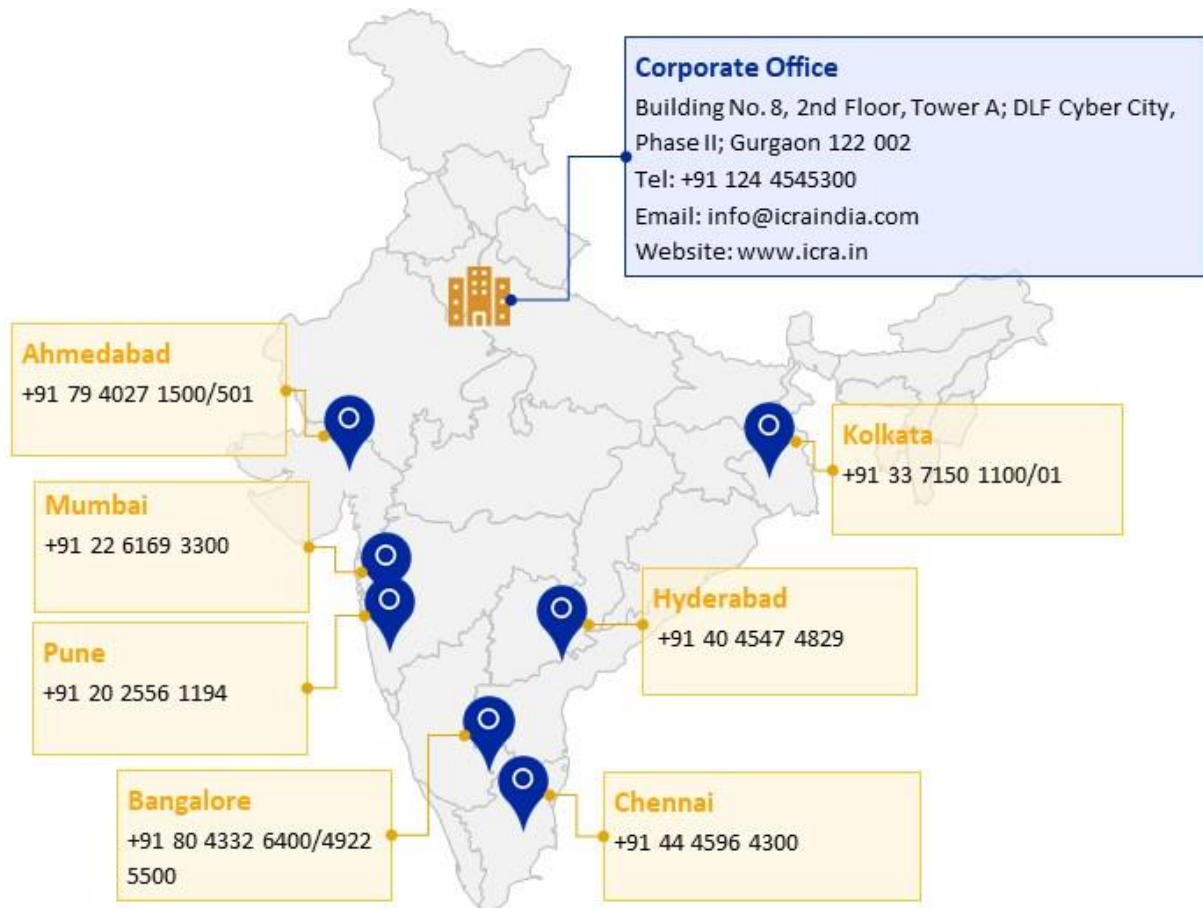
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### Branches



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