

December 12, 2023

Tata Power Delhi Distribution Limited: Rating Reaffirmed

Summary of rating actions

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long term Fund based – Term Loan	2,540.00	2,240.00	[ICRA]AA (Positive); reaffirmed
Long Term Fund based – Working capital limits	1,355.00	1,355.00	[ICRA]AA (Positive); reaffirmed
Short Term Non-fund based	1100.00	1100.00	[ICRA]A1+; reaffirmed
Short Term – Term Loan	300.00	300.00	[ICRA]A1+; reaffirmed
Commercial Paper*	500.00	300.00	[ICRA]A1+; reaffirmed
Total	5,795.00	5,295.00	

[^]Instrument details are provided in Annexure-1; * Unplaced

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Power Distribution Utilities
Parent/Group support	Parent/Group Company - Tata Power Company Limited (51% shareholding in TPDDL). ICRA expects TPDDL's parent, TPCL (rated [ICRA]AA(Positive)), to be willing to extend financial support to TPDDL, should there be a need, given the high strategic importance of TPDDL for the parent for meeting its diversification and strategic growth objectives. Both TPCL and TPDDL share a common name, which in ICRA's opinion would persuade TPCL to provide financial support to TPDDL to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	The ratings are based on the consolidated financial statements of the rated entity

About the company

TPDDL, which is a 51:49 joint venture (JV) of TPCL and the Government of Delhi (GoD), is involved in the distribution of power in the northern and north-western parts of Delhi with a customer base of ~2 million. The company commenced its commercial operations on July 1, 2002, post unbundling of the Delhi Vidyut Board (DVB). Until FY2002, the entire business of generation, transmission and distribution of power in Delhi was carried out by erstwhile DVB. In FY2002, the Delhi government enacted a legislation called the Delhi Electricity Reforms Act (DERA) to unbundle DVB into separate companies for carrying out the generation, transmission and distribution-related activities. As a part of the unbundling exercise, the entire state was divided into three regions, namely central-east, south-west and north-north west. It was proposed that the distribution of power in each of these regions would be handled by a separate discom, each of which would be a 51:49 JV of a private player and the GoD. The three distribution regions were then offered to private companies for 51% equity participation by way of bids. Based on these bids, the Tata Group won the north-west circle and TPDDL commenced commercial operations on July 1, 2002.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Amount outstanding as on Oct 31, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023		Date & rating in FY2022	
				Dec 12, 2023	Aug 09, 2023	Feb 28, 2023	Feb 04, 2022	Jul 02, 2021	Nov 13, 2020
1 Term loans	Long term	2,240.00	1,833.04	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)
2 Fund-based limits – Working capital facilities	Long term	1,355.00	--	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)
3 Non-fund based limits	Short term	1100.00	--	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
4 Short-term loans	Short term	300.00	--	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5 Commercial paper	Short term	300.00	--	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
6 Short-term debt	Short term	-	--	-	-	-	-	-	[ICRA]A1+; Withdrawn

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term – Fund based - Term loans	Simple
Long term - Fund-based limits – Working capital facilities	Simple
Short term - Non-fund based limits	Very Simple
Short-term loans	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: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan 1	FY2015	NA	FY2024	12.50	[ICRA]AA (Positive)
NA	Term Loan 2	FY2017	NA	FY2027	37.50	[ICRA]AA (Positive)
NA	Term Loan 3	FY2020	NA	FY2026	14.58	[ICRA]AA (Positive)
NA	Term Loan 4	FY2022	NA	FY2032	100.00	[ICRA]AA (Positive)
NA	Term Loan 5	FY2017	NA	FY2027	40.63	[ICRA]AA (Positive)
NA	Term Loan 6	FY2019	NA	FY2029	125.00	[ICRA]AA (Positive)
NA	Term Loan 7	FY2016	NA	FY2026	28.13	[ICRA]AA (Positive)
NA	Term Loan 8	FY2015	NA	FY2025	18.75	[ICRA]AA (Positive)
NA	Term Loan 9	FY2020	NA	FY2030	143.75	[ICRA]AA (Positive)
NA	Term Loan 10	FY2021	NA	FY2031	181.25	[ICRA]AA (Positive)
NA	Term Loan 11	FY2022	NA	FY2030	162.50	[ICRA]AA (Positive)
NA	Term Loan 12	FY2023	NA	FY2029	71.88	[ICRA]AA (Positive)
NA	Term Loan 13	FY2023	NA	FY2030	162.50	[ICRA]AA (Positive)
NA	Term Loan 14	FY2023	NA	FY2035	100.00	[ICRA]AA (Positive)
NA	Term Loan 15	FY2023	NA	FY2029	71.88	[ICRA]AA (Positive)
NA	Term Loan 16	FY2014	NA	FY2024	0.00	[ICRA]AA (Positive)
NA	Term Loan 17	FY2020	NA	FY2026	41.67	[ICRA]AA (Positive)
NA	Term Loan 18	FY2018	NA	FY2026	66.67	[ICRA]AA (Positive)
NA	Term Loan 19	FY2020	NA	FY2026	14.58	[ICRA]AA (Positive)
NA	Term Loan 20	FY2020	NA	FY2026	0.00	[ICRA]AA (Positive)
NA	Term Loan 21	FY2020	NA	FY2026	50.00	[ICRA]AA (Positive)
NA	Term Loan 22	FY2017	NA	FY2025	20.83	[ICRA]AA (Positive)
NA	Term Loan 23	FY2016	NA	FY2024	6.25	[ICRA]AA (Positive)
NA	Term Loan 24	FY2022	NA	FY2028	70.81	[ICRA]AA (Positive)
NA	Term Loan 25	FY2023	NA	FY2027	150.00	[ICRA]AA (Positive)
NA	Term Loan 26	FY2023	NA	FY2026	71.43	[ICRA]AA (Positive)
NA	Term Loan 27	FY2023	NA	FY2026	49.97	[ICRA]AA (Positive)
NA	Term Loan 28	FY2023	NA	FY2025	20.00	[ICRA]AA (Positive)
NA	Term Loan 29- Unallocated	NA	NA	-	406.96	[ICRA]AA (Positive)
NA	Fund-based limits – Working capital facilities	NA	NA	NA	1,055.00	[ICRA]AA (Positive)
NA	Fund-based limits – Working capital facilities- unallocated#	NA	NA	NA	300.00	[ICRA]AA (Positive)
NA	Non-fund based limits	NA	NA	NA	950.00	[ICRA]A1+
NA	Non-fund based limits- unallocated#	NA	NA	NA	150.00	[ICRA]A1+
NA	Short-term loans	NA	NA	NA	300.00	[ICRA]A1+

NA	Commercial paper*	NA	NA	NA	300.00	[ICRA]A1+
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Source: Company; * Unplaced; # unallocated limits as on October 31, 2023

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis

Company Name	TPDDL Ownership	Consolidation Approach
Tata Power Delhi Distribution Limited	Rated entity	Full Consolidation
NDPL Infra Limited	100.00%	Full Consolidation

Source: Company

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