

May 29, 2026

Haldia Energy Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper programme**	450.00	450.00	[ICRA]A1+; reaffirmed
Total	450.00	450.00	

*Instrument details are provided in Annexure-II; ** The rating of the aforementioned instrument is based on the condition that total short-term borrowings (including commercial paper, short-term debt and bank borrowings) of the company at any given point of time should not exceed the company's drawing power or the bank sanctioned fund-based limits (whichever is lower)

Rationale

The ratings reaffirmation continues to factor in the strong parentage of Haldia Energy Limited (HEL) as a part of the RP-Sanjiv Goenka (RP-SG) Group, which lends it a high degree of financial flexibility, and the strategic importance of HEL to its parent CESC Limited (CESC; rated [ICRA]A1+), given that HEL's 600-MW coal-based power plant meets around 35-40% of the annual power demand in CESC's distribution territory in Kolkata. The rating considers HEL's low offtake risks for its coal-based generation unit, with the entire capacity tied up under a regulated cost-plus tariff-based long-term power purchase agreement (PPA) with CESC. The company has limited fuel availability risks as it has a fuel supply agreement (FSA) of 2.57 million tonne per annum (MTPA) with Mahanadi Coalfields Limited (MCL), which is a subsidiary of Coal India Limited (CIL). Over the last few years, HEL has been receiving more than 90% of the annual contracted quantity (ACQ) of coal through the FSA. The remaining requirement of coal is met through e-auction, where the higher cost is a pass-through under the terms of the PPA. The rating reaffirmation also factors in HEL's efficient operations, with the company's actual parameters like station heat rate (SHR), plant availability factor (PAF), auxiliary energy consumption, fuel oil consumption and plant availability factor (PAF) being better than the normative parameters, resulting in sizeable efficiency gains and incentive income.

The rating, however, remains constrained by the company's exposure to regulatory risks associated with timely issuance of tariff order, cost-reflective tariffs, and any large cost disallowances in APR¹ orders. ICRA has noted the build-up of regulatory assets since FY2022, which accumulated to around Rs.600 crore (net of advance against depreciation and deferred taxes) as on March 31, 2026. Further, WBERC had disallowed HEL's capital cost accumulating to around Rs.289 crore for the generation and transmission assets which has led to under-recovery in capacity charges. In this regard, it is to be noted that HEL had approached Appellate Tribunal for Electricity (APTEL) against these capital cost disallowances and vide order dated April 30, 2025, APTEL had favorably ruled towards recovery of a sizeable portion of the disallowed capital costs. Subsequently, the WBERC has approved most of the disallowed capital costs and the final capital cost approved stands at Rs.4615.5 crore against Rs.4662 crore sought by HEL. In addition, WBERC has released the APR orders only till FY2020 and with the regulatory asset build up gathering pace from FY2022, the significant delay in the release of subsequent orders have adversely impacted HEL's cash generation. Going forward, timely recovery of regulatory assets through adequate tariff revisions remains a key rating monitorable. The company has availed fresh borrowings of around Rs.2000 crore in FY2026 leading to increased indebtedness and consequent increase in leverage. These funds have been mobilised to support the Group's investment needs in the strategically important renewable power business. Given the sizeable debt repayments going forward, ICRA expects HEL's DSCR² to remain constrained over the near term, exposing the company to refinancing risks. However, the company's high

¹ Annual Performance Review

² Debt Service Coverage Ratio

financial flexibility and access to need-based funding support from the parent provides comfort from the liquidity perspective. Besides, given the remaining life of the PPA, the project life coverage ratio (PLCR) remains comfortable at around 1.4 times. ICRA understands that there would not be further leveraging of HEL's balance sheet for funding group's investments. However, any further large leveraging plans, which weighs down on HEL's coverage and leverage metrics, remains a rating monitorable. HEL has sizeable exposure in group entities in the form of advances/equity investments which stood at around Rs. 1115 crore as on March 31, 2026. Besides, the receivables outstanding from its parent company has increased sharply in FY2026 and stood at around Rs.3188 crore as on March 31, 2026. This leads to capital blockage and in turn leading to greater reliance on debt.

Key rating drivers and their description

Credit strengths

Strong parentage of RP-SG Group – HEL is a 100% subsidiary of CESC, which is the flagship company of the RP-SG Group. HEL benefits from high financial flexibility because of its parentage and Group linkages, demonstrated in its ability to access the capital markets and borrow at competitive rates. Moreover, the entire power generated from this 600-MW thermal power plant is procured by CESC, which is the distribution licensee for the Kolkata region. HEL supplies 35-40% of CESC's annual energy requirement and is thus strategically important to the latter.

Limited offtake risks because of 25-year PPA with CESC – HEL has a PPA with CESC for 25 years at a tariff determined on the cost-plus basis. It benefits from the long-term PPA and the assured offtake arrangements by CESC, which has a strong credit profile (rated [ICRA]AA(Stable)/[ICRA]A1+). Moreover, the power sourced from HEL's plant meets the base load requirement along with the Budge-Budge unit (750 MW), while the ageing Southern (135 MW) unit serves more as a peak load station.

Low fuel availability risks due to FSA with MCL – HEL has an FSA for sourcing 2.57 million tonnes per annum (MTPA) of coal from MCL. The company has been receiving more than 90% of the annual contracted quantity (ACQ) from MCL since FY2017, which is considerably higher than the guaranteed supply volume of 75% of the ACQ. The FSA insulates the company from fuel availability risk to a great extent, while any price fluctuation is passed on under the PPA. In addition to sourcing domestic coal, either through linkage or e-auction, HEL's plant has the flexibility to source imported coal as its location is close to the Haldia port.

Efficient plant operations – HEL reported PAF of 99.31% and PLF of 95% in FY2026. The operating parameters of HEL's generation unit, including SHR, auxiliary energy consumption, fuel oil consumption, PLF and PAF, remain much better than the norms prescribed by the WBERC. This results in sizeable efficiency gains and incentive income for the company.

Credit challenges

Regulatory risks related to timely issuance of tariff order and disallowances in cost items in the APR order – HEL's tariff is on a cost-plus basis as determined by the WBERC, exposing the company to the regulatory risk associated with the delay in receiving tariff orders and disallowance of costs in the APR order by the state regulatory commission. ICRA has noted the build-up of regulatory assets since FY2022, which accumulated to around Rs.600 crore (net of advance against depreciation and deferred taxes) as on March 31, 2026. Further, WBERC had disallowed HEL's capital cost accumulating to around Rs.289 crore for the generation and transmission assets which has led to under-recovery in capacity charges. In this regard, it is to be noted that HEL had approached Appellate Tribunal for Electricity (APTEL) against these capital cost disallowances and vide order dated April 30, 2025, APTEL had favorably ruled towards recovery of a sizeable portion of the disallowed capital costs. Subsequently, the WBERC has approved most of the disallowed capital costs and the final capital cost approved stands at Rs.4615.5 crore against Rs.4662 crore sought by HEL. In addition, WBERC has released the APR orders only till FY2020 and with the regulatory asset build up gathering pace from FY2022, the significant delay in the release of subsequent orders have adversely impacted HEL's cash generation. Going forward, timely recovery of regulatory assets through adequate tariff revisions remains a key rating monitorable.

Sizeable debt servicing obligations expected to constrain the DSCR – Given the sizeable debt repayments going forward, ICRA expects HEL’s DSCR³ to remain constrained over the near term, exposing the company to refinancing risks. However, the company’s high financial flexibility and access to need-based funding support from the parent provides comfort from the liquidity perspective. The company has availed fresh borrowings of around Rs.2000 crore in FY2026 leading to increased indebtedness and consequent increase in leverage. These funds have been mobilised to support the Group’s investment needs in the strategically important renewable power business. ICRA understands that there would not be further leveraging of HEL’s balance sheet for funding group’s investments. However, any further large leveraging plans, which weighs down on HEL’s coverage and leverage metrics, remains a rating monitorable.

Substantial exposure to group entities leading to capital blockage – HEL has sizeable investments in group entities in the form of advances/equity investments which stood at around Rs. 1115 crore as on March 31, 2026. Besides, the receivables outstanding from its parent company has increased sharply in FY2026 and stood at around Rs.3188 crore as on March 31, 2026. This leads to capital blockage and in turn leading to greater reliance on debt.

Liquidity position: Adequate

Notwithstanding the sizeable repayments obligations going forward, leading to a subdued DSCR, ICRA expects the company to meet any potential cash flows timing mismatches through its on-balance sheet liquidity and thus the liquidity position has been assessed as adequate. Moreover, being a strategically important entity to CESC, HEL’s liquidity profile benefits from the parent’s high financial flexibility and willingness to support its operations in case the need arises.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Pressure on HEL’s rating may arise if there is a marked deterioration in the credit profile of CESC, HEL’s parent and the sole customer. Further, any large cost disallowance of HEL at the time of true up and/or tightening of normative operating norms by the WBERC, significantly tempering HEL’s return indicators and debt coverage metrics may lead to a downgrade. Further, the inability of the company to improve its liquidity profile amid large support to Group companies may impact the rating negatively.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Thermal
Parent/Group support	The rating assigned to HEL factors in the high likelihood of its parent, CESC Limited [rated [ICRA]A1+], extending financial support to HEL because of the close business linkages between the entities and out of the need to protect its reputation from the consequences of a Group entity being in distress
Consolidation/Standalone	Standalone financial profile

About the company

HEL is a part of the Kolkata-based RP-SG Group. It is a wholly-owned subsidiary of CESC. The company operates a 2X300 MW thermal-based power generation unit in Haldia, West Bengal. The two units were commissioned on January 28, 2015 and February 21, 2015, respectively. The entire capacity has been tied up under a long-term cost-plus PPA with CESC.

³ Debt Service Coverage Ratio

Key financial indicators

HEL	FY2025 (Audited)	FY2026*
Operating income	2,053.1	2,064.5
PAT	283.7	285.6
OPBDIT/OI	39.9%	40.7%
PAT/OI	13.8%	13.8%
Total outside liabilities/Tangible net worth (times)	1.0	1.3
Total debt/OPBDIT (times)	3.6	5.4
Interest coverage (times)	3.4	3.1

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current (FY2027)		Chronology of rating history for the past 3 years					
		FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount Rated (Rs Crore)	May 29, 2026	Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short Term	450.00	[[ICRA]A1+	May 30, 2025	[[ICRA]A1+	May 21, 2024	[[ICRA]A1+	May 31, 2023	[[ICRA]A1+

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial paper	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 are available on ICRA's website: [Click Here](#)

Annexure II: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
Unplaced	Commercial paper	-	-	-	450.00	[ICRA]A1+

Source: Company

Annexure III: List of entities considered for consolidated analysis- Not applicable

ANALYST CONTACTS

Girishkumar Kadam
+91 22 6114 3441
girishkumar@icraindia.com

Ankit Jain
+91 124 4545 865
ankit.jain@icraindia.com

Sumit Jhunjunwala
+91 33 6521 6814
sumit.jhunjunwala@icraindia.com

Deepayan Ghosh
+91 33 6521 6804
deepayan.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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.