

October 14, 2014

CARE REAFFIRMS THE RATINGS TO THE BANK FACILITIES OF TATA POWER RENEWABLE ENERGY LTD.

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term bank facilities	756.00	CARE A [Single A]	Reaffirmed
Short term bank facilities	78.67	CARE A1 [A One]	Reaffirmed
Long term/short term bank facilities	30.00	CARE A/CARE A1 [Single A/A One]	Reaffirmed
Long term bank facilities *	315.15	CARE A+(SO) [Single A Plus (Structured Obligation)]	Reaffirmed

* Credit enhancement in the form of an unconditional and irrevocable corporate guarantee from Tata Power (rated CARE AA) that will be valid for three years from the date of commissioning of the projects (Mithapur and Daloth) and would be released only subject to satisfaction of certain pre-conditions stipulated by lenders.

Rating Rationale

The reaffirmation of the ratings assigned to the bank facilities of Tata Power Renewable Energy Ltd. (TPREL) factor in its strong parentage (TPREL being a wholly-owned subsidiary of The Tata Power Company Limited [Tata Power, rated CARE AA]), strategic importance of TPREL to Tata Power and its demonstrated support to TPREL in the form of a corporate guarantee towards long-term debt servicing extended till the stabilization of the initial projects (Mithapur and Daloth projects) implemented by the company. The ratings are also strengthened by the successful implementation of solar and wind projects by TPREL with long-term off take agreements and satisfactory operational performance of the projects.

The rating strengths however continue to be tempered by the implementation risks associated with the projects which the company proposes to implement in the medium term, exposure to counter-party risk for power off-take and dependence on favourable climatic conditions for power generation.

Timely commissioning of the projects under implementation without any cost overruns, support from parent and credit rating of Tata Power are the key rating sensitivities.

Background

Tata Power Renewable Energy Ltd (TPREL), a wholly owned subsidiary of The Tata Power Company Ltd. (TPL) was incorporated in March 2007 for developing power projects through renewable energy sources in India. As at September 30, 2014, 97 MW of solar and wind capacities were operational and another 103.5 MW of wind capacities were under implementation. During FY14 (refers to the period April 1 to March 31), the company posted income from operations and PAT of Rs.91 crore and Rs.4.4 crore respectively as compared to Rs.64 crore of income and Rs.1.1 crore of PAT in FY13.

Analyst Contact

Name: Dhaval Patel

Tel: 022- 6754 3438

Email: dhaval.patel@careratings.com

Note: Mr. Vittaldas Leeladhar, Non-Executive Director on the board of Tata Global Beverages Limited (a Tata group company), is one of CARE's Rating Committee Members. To comply with the regulations, the member has not participated in the rating process and in the rating committee meeting.

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CONTACT

Head Office Mumbai

Mr. D.R. Dogra

Managing Director

Mobile: +91-98204 16002

E-mail: dr.dogra@carerating.com

Mr. Rajesh Mokashi

Dy. Managing Director

Mobile: +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Ms. Meenal Sikchi

Vice President - Bank Loan & Instrument Rating

Mobile: +91-9819009839

E-mail: meenal.sikchi@carerating.com

Mr. Ankur Sachdeva

Vice President - Bank Loan & Financial Services

Mobile: +91-9819698985

E-mail: ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

Other Office:

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069

Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

AHMEDABAD**Mr. Mehul Pandya**32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com

HYDERABAD**Mr. Saikat Roy**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.

Tel: +91-40-4010 2030

E-mail: saikat.roy@careratings.com

BENGALURU**Mr. Dinesh Sharma**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-99000 41975

Tel: +91-80-4115 0445, 4165 4529

E-mail: dinesh.sharma@careratings.com

JAIPUR**Mr. Rahul Jain**304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.

Cell: +91 - 93149 21496

Tel: +91-141-402 0213 / 14

E-mail: rahul.jain@careratings.com

CHANDIGARH**Mr. Sajan Goyal**2nd Floor, S.C.O. 196-197, Sector 34-A,
Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com

KOLKATA**Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com

CHENNAI**Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com

NEW DELHI**Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com

PUNE

Mr. Rahul Patni

9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.

Cell: +91-78754 33355

Tel: +91-20- 4000 9000

E-mail:rahul.patni@careratings.com

CIN - L67190MH1993PLC071691