

The Tata Power Company Limited

July 14, 2025

Updates

On July 2, 2025, The Tata Power Company Limited ("TPCL" or "the Company") submitted a disclosure to the stock exchanges pertaining to the ongoing arbitration proceedings between the Company and Kleros Capital Partners Limited ("Kleros"), conducted under the rules of the Singapore International Arbitration Centre ("SIAC"). The Company disclosed that the arbitral tribunal, by a majority decision (2:1), has issued a partial allowed claim against TPCL. The tribunal has awarded Kleros damages amounting to ~US\$ 618 million, which includes compensation for alleged breaches, accrued interest, and legal costs. TPCL is presently reviewing the contents of the arbitral award and is evaluating all possible legal and strategic options, including the initiation of proceedings to challenge the award.

CareEdge Ratings understands that the company intends to file for appeal against the arbitration award. The Company's financial and operational profiles are strong and the Company has the ability to raise funds for meeting the aforesaid liability. However, the exact impact of the same on the company shall be evaluated once the liability is crystallised. CareEdge Ratings continues to take cognisance of the high cash flow visibility for TPCL given its regulated business and long-term power purchase agreement (PPA) tie-up in its operational portfolio. Also, the Company's net debt/earnings before interest, taxation, depreciation, and amortisation (EBITDA) as on March 31, 2025, remains below 4x. Moderation in financial flexibility of the company due to aforesaid event shall be rating monitorable.

For further information, including detailed rationale, key rating drivers, rating sensitivities, liquidity analysis, and financial indicators, please refer to CareEdge Ratings' previous press release on TPCL, accessible at the following link: [Click here](#)

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