

Maithon Power Limited (Revised)

September 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	510.50	CARE AA+; Stable	Reaffirmed
Non-convertible debentures	550.00	CARE AA+; Stable	Assigned
Non-convertible debentures	200.00	CARE AA+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed its rating on existing bank facilities and non-convertible debentures (NCDs) of Maithon Power Limited (MPL), which operates a 1,050 MW thermal power plant in Dhanbad district, Jharkhand, and has also assigned a rating to the proposed issuance of NCDs amounting to ₹550.00 crore of the company. The reaffirmation and assignment of rating continue to factor in the company's strong operational performance, with plant availability factor (PAF) at 94% in Q1 FY26 and 87% in FY25 (PY: 95%) which is above the normative level of 85%, enabling full recovery of fixed charges. The rating also take comfort from MPL's healthy average receivable position at 36 days as on FY25 end (PY: 32 days), indicating timely collections from off-takers. The proceeds from the proposed NCD, will primarily be utilised for repayment of existing short-term debt and for general corporate purposes, including distribution to promoters via dividend.

MPL is a joint venture of the Tata Power Company Limited (TPCL) and Damodar Valley Corporation (DVC) with their respective shareholding being 74% and 26%. The rating continues to draw strength from MPL's strong linkages with its parent i.e. TPCL (rated CARE AA+; Stable), presence of 30-year power purchase agreements (PPAs) with multiple off-takers including DVC (150 MW), with Tata Power Delhi Distribution Limited (TPDDL) (300 MW), West Bengal State Electricity Distribution Company Limited (WBSEDCL) (300 MW), and Kerala State Electricity Board Limited (KSEBL), which impart revenue visibility. The tariff is determined on a cost-plus basis by Central Electricity Regulatory Commission (CERC), allowing for full recovery of fixed costs and variable costs subject to the operations in line with normative parameters. The rating draws comfort from low fuel supply risk, underpinned by presence of long-term fuel supply agreements (FSAs) for 4.63 million MT with Central Coalfields Limited (CCL) which is sufficient to meet the coal requirement corresponding to a plant load factor (PLF) of ~83%. MPL continues to maintain a comfortable financial risk profile, with total debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) at 2.3x as on March 31, 2025 (PY: 1.9x) and healthy coverage metrics, including an interest coverage of 7.05x (PY: 7.59x). The TD/EBITDA is expected to increase marginally to 2.5x as on March 31, 2026, post issuance of the proposed NCD. However, coverage indicators are expected to be comfortable with average debt service coverage ratio (DSCR) remaining above 1.65x for the debt tenor per CareEdge ratings base case.

However, rating is constrained by counterparty credit risk owing to exposure to off-takers such as KSEBL and WBSEDL, which have modest credit profiles as reflected by their high aggregate technical & commercial (AT&C) losses and significant average cost of supply-average revenue realised (ACS-ARR) gaps. The company also remains exposed to asset concentration risk due to the plant's single-location operations. The company is undertaking Flue Gas Desulphurisation (FGD) capex for both units of its power plant, with a total estimated cost of ₹777 crore out of which ~85% has been incurred as on March 2025, company has declared COD for Unit 1 on June 30, 2025, with full FGD commissioning expected in FY2026. However, as per revised MoEF guidelines dated July 11, 2025, Category C plants (including Maithon Power) are exempt from mandatory FGD installation. As per the management, since majority of capital expenditure for FGD has been incurred before the MoEF notification issued in July 2025, the company expects it to recover via tariff hikes. The approval for the FGD capital expenditure shall be a key rating monitorable. CareEdge Ratings notes that in FY25, the company's operating revenue declined, primarily due to a reduction in annual fixed charges due to lower depreciation component in fixed charges, which is in line with the extant CERC regulations. MPL has generated sufficient profits for its shareholders with a cumulative amount of ₹1,130 crore upstreamed in the last three years (FY23: ₹630 crore, FY24: ₹250 crore, FY25: ₹250 crore).

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Material improvement in the credit profile of the majority shareholder, TPCL.

Negative factors

- Inability of the plant to maintain normative PAF on a sustained basis, leading to significant under recovery of fixed charges.
- Deterioration in MPL's financial profile as characterised by debt levels, increasing significantly or significant elongation in receivables.
- Deterioration in TPCL's credit profile or change in support stance of TPCL.

Analytical approach:

Standalone, factoring in support from parent TPCL. Rating factors in operational and financial linkages with TPCL. MPL has common management and shares a common treasury with TPCL.

Outlook: Stable

The stable outlook is supported by presence of long-term PPA for 30 years under a cost-plus tariff structure, availability of long-term FSA, satisfactory operational performance and timely realisation of receivables.

Detailed description of key rating drivers:

Key strengths

Strong promoter and experienced management providing operational support

MPL is a 74:26 joint venture (JV) between TPCL and DVC. MPL benefits from technical and managerial support from TPCL, given the latter's vast and diversified presence in the power business, including generation, transmission, distribution, renewable, and the engineering, procurement and construction (EPC) space. MPL's board consists of six directors, including the company's chairman, who is nominated by TPCL. MPL accounts for ~12% of TPCL's consolidated thermal power capacity and ~7% of TPCL's generation capacity as on March 31, 2025. MPL has been providing loans and dividends to group companies on a regular basis.

Long-term PPAs providing revenue visibility and adequate FSAs

MPL signed a 30-year PPAs for its entire capacity of 1,050 MW with multiple off-takers including DVC (150 MW), TPTCL (600 MW), and KSEBL leading to revenue visibility. TPTCL has executed PSAs with TPDDL and WBSEDCL for 300 MW each. Tariffs are based on CERC tariff guidelines, assuring 15.5% return-on-equity (RoE), and ensuring stable cash accruals. Capacity charges are recoverable in full, if the plant availability achieves a normative PAF of 85%. Capacity charges comprise depreciation, interest on term loan, interest on working capital loan, operation and maintenance expenses and RoE (post tax). Energy charges are determined based on landed cost of fuel applied on quantity of fuel consumption at normative operating conditions. The company received tariff order for the control period FY19-24 and true-up order for control period FY14-19 on January 08, 2022. Petition for tariff determination for control period FY24-29 has been filed. The company has also tied up for its entire coal requirement (4.63 million tonne per annum [MTPA]) through long-term FSAs with CCL. Due to healthy ACQ materialisation under linkage coal supply in the past, dependence on alternative sources such as e-auction is relatively low.

Healthy operational performance of power plant

MPL's PAF continues to be strong in Q1FY26 at 95% against 99% in Q1FY25 (FY24: 95%, FY25: 88%) PAF was lower in FY25 due to maintenance of plant in November 2024 to January 2025. However, the company was able to recovery entire fixed charges since plant availability was higher than normative PAF of 85%. Other operating parameters (auxiliary consumption, station heat rate [SHR], gross calorific value [GCV]) remained better than normative (PAF, auxiliary and SHR) for FY25. Given the regulated nature of MPL's business and healthy operational performance, the company has stable cash flows and profitability.

Moderate financial risk profile with coverage indicators

MPL continues to maintain a comfortable financial risk profile, supported by stable GCA and a low interest burden, resulting in healthy coverage indicators and comfortable leverage metrics. The company's TD/EBITDA stood at 2.3x as on March 31, 2025 (PY: 1.9x), which, although higher than the previous year, remains at a comfortable level. The company has availed debt for implementation of the FGD system, which is expected to be completed by FY26. The company is undertaking Flue Gas Desulphurisation (FGD) capex for both units of its power plant, with a total estimated cost of ₹777 crore out of which ~85% has

been incurred as on March 2025, company has declared COD for Unit 1 on June 30, 2025, with full FGD commissioning expected in FY2026. However, as per revised MoEF guidelines dated July 11, 2025, Category C plants (including Maithon Power) are exempt from mandatory FGD installation. As per the management, since majority of capital expenditure for FGD has been incurred before the MoEF notification issued in July 2025, the company expects it to recover via tariff hikes. The approval for the FGD capital expenditure shall be a key rating monitorable. Post factoring in the proposed NCDs of ₹550 crore leverage metrics remain comfortable, with debt/EBITDA projected at ~2.3x in FY26 and cumulative DSCR of over 1.6x over the debt tenure, demonstrating adequate cash accruals to comfortably meet its repayment obligations.

In FY25, the company's operating revenue declined primarily considering a reduction in total capacity charges, driven by the lower depreciation component in fixed charges in line with CERC regulations (lower depreciation rate from the 13th year onwards from COD). The profit before interest, lease rentals, depreciation and taxation (PBILDT) interest coverage improved to 7.05x (PY: 7.59x).

Key weaknesses

Moderate counterparty risk

The company is exposed to counterparty credit risk owing to exposure to state distribution utilities including WBSEDCL and KSEB, which have weak credit profile. However, average collection period continued to be comfortable in FY25 at 36 days (PY: 32 days) considering timely payments from counterparties within the credit period available in the year.

Liquidity: Strong

MPL's liquidity profile remains strong, supported by cash and cash equivalents (including DSRA of ₹29.93 crore) of ₹130.43 crore as on July 31, 2025. The company's projected cash accruals for FY26 are expected to remain adequate to comfortably meet its debt servicing obligations. Utilisation of fund-based working capital limits has remained moderate, aided by timely realisation of receivables from off-takers. The company also avails non-fund-based limits primarily for issuance of letters of credit (LCs) to fuel suppliers. As part of the Tata Group, MPL benefits from significant financial flexibility and strong access to capital markets.

Applicable criteria

[Policy on Default Recognition](#)

[Notching by Factoring Linkages in Ratings](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Infrastructure Sector Ratings](#)

[Thermal Power](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

MPL is a joint venture between TPCL and DVC, with TPCL holding a 74% stake and DVC holding 26%. MPL set up a thermal power generation plant having a total capacity of 1,050 MW at Jharkhand. The first unit of 525 MW (Unit I) was commissioned in September 2011, while the second unit (Unit II) was commissioned in July 2012. MPL entered long-term PPAs for full capacity with DVC (150 MW), TPDDL (300 MW), WBSEDCL (300 MW), and KSEBL (300 MW). MPL has long-term FSAs with subsidiaries of Coal India Limited (CIL) for its coal requirement

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	Q1FY26 (UA)
Total Operating Income	3,360.3	2,954.4	775.4
PBILDT	849.7	619.1	168.8
PAT	448.8	346.1	89.8
Overall gearing (times)	0.69	0.57	NA
Interest coverage (times)	7.59	7.05	7.78

A: Audited UA: Unaudited; NA: Not available; Note: 'these are latest available financial results' analytically adjusted under CareEdge Ratings' Methodology

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non Convertible Debentures	INE082G07055	09-Feb-2017	8	09-Feb-2026	100.00	CARE AA+; Stable
Debentures-Non Convertible Debentures	INE082G07063	09-Feb-2017	8	09-Feb-2027	100.00	CARE AA+; Stable
Debentures-Non Convertible Debentures	Proposed	NA	NA	NA	550.00	CARE AA+; Stable
Term Loan-Long Term		-	-	Sep 30, 2032	510.50	CARE AA+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Debentures-Non Convertible Debentures	LT	200.00	CARE AA+; Stable	1)CARE AA+; Stable (24-Jun-25)	1)CARE AA+; Stable (27-Jun-24)	1)CARE AA; Stable (31-Aug-23)	1)CARE AA; Stable (02-Sep-22)
2	Term Loan-Long Term	LT	510.50	CARE AA+; Stable	1)CARE AA+; Stable (24-Jun-25)	1)CARE AA+; Stable (27-Jun-24)	1)CARE AA; Stable (31-Aug-23)	1)CARE AA; Stable (02-Sep-22)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
3	Debentures-Non Convertible Debentures	LT	550.00	CARE AA+; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Sabyasachi Majumdar Senior Director CARE Ratings Limited Phone: 91-120-445 2006 E-mail: Sabyasachi.majumdar@careedge.in</p> <p>Jatin Arya Director CARE Ratings Limited Phone: 91-120-4452021 E-mail: Jatin.Arya@careedge.in</p> <p>Shailendra Singh Baghel Associate Director CARE Ratings Limited Phone: 91-120-445 2020 E-mail: Shailendra.baghel@careedge.in</p>
--	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**