Agratas Energy Storage Solutions Private Limited (Revised)

May 12, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	1,309.00	CARE AA+; Stable	Assigned
Long-term/short-term bank facilities	914.50	CARE AA+; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	776.50	CARE A1+	Reaffirmed
Long-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

List of facilities/instruments falling under the purview of various financial sector regulators (FSRs), along with names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

Ratings assigned to bank facilities of Agratas Energy Storage Solutions Private Limited (Agratas) derive significant strength from its strong and resourceful parentage of Tata Sons Private Limited (TSPL) holding 88% equity shareholding in Agratas and significant importance of battery business in the overall group strategy of TSPL. Agratas is setting up greenfield manufacturing facilities for production of advanced chemistry cells (ACC) for electric vehicles (EV) and energy storage solutions (ESS), with planned capacity of over 20 GWh in phases, depending upon market dynamics. Phase 1 of the project is expected to start commercial production in CY 2027.

Ratings also draw comfort from the operational synergies expected to be derived from the anchor customer being Jaguar Land Rover Automotive Plc (JLR; wholly owned subsidiary of Tata Motors Passenger Vehicles Limited [erstwhile Tata Motors Limited]), resulting in strong revenue visibility, expected economies of scale due to large size of its upcoming capacity, integrated operations, and favourable demand for EV batteries.

These rating strengths largely offset implementation and stabilisation risk of the project, which is currently at an early stage of implementation, strong competition from China in battery cell manufacturing, and technology obsolescence risk owing to the evolving technology landscape.

CARE Ratings Limited (CareEdge Ratings) has withdrawn the rating assigned to term loan facilities of Agratas with immediate effect, as the company has repaid aforementioned term loans in full and there is no amount outstanding under the facilities as on date.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Timely completion of total capex without material time and cost overruns, and smooth stabilisation of operations.
- Revenue from operations of over ₹5,000 crore with PBILDT margin above 10% on a sustained basis.

Negative factors:

- Change in TSPL's controlling ownership in Agratas.
- Deterioration in the credit profile of TSPL and/or weakening of linkages with Tata group companies.
- Any change in the Tata group's strategy which could impact Agratas' strategic importance for the group.

Analytical approach: Standalone

Ratings also primarily factor in strong managerial, financial, and operational linkages with its parent, TSPL. Agratas has a wholly owned subsidiary in UK, namely Agratas Limited (Agratas UK). Equity investments in the Agratas UK's project are being routed through Agratas. As articulated by Agratas, debt of Agratas and Agratas UK will be tied-up separately and Agratas UK's debt would be non-recourse in nature for Agratas. Therefore, a standalone approach is taken for Agratas.

Outlook: Stable

CareEdge Ratings believes that Agratas shall benefit from its strong parentage in project implementation, stabilisation phase and ramping up of operations and shall receive need-based financial support from the parent in a timely manner.

Detailed description of key rating drivers:

Key strengths

Strong and resourceful parentage of TSPL entailing significant financial flexibility to Agratas

Agratas derives significant comfort from the resourcefulness and financial strength of the promoter, TSPL. TSPL is the principal investment holding company of the Tata group. TSPL is registered as a core investment company with the Reserve Bank of India.

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

The company holds equity stakes in major group companies, including Tata Steel Ltd (rated 'CARE AA+; Stable'), Tata Motors Passenger Vehicles Limited (rated 'CARE AA+; Stable/CARE A1+'), The Tata Power Company Ltd (rated 'CARE AA+; Stable'), and Tata Consultancy Services Ltd among others.
Being an 88% subsidiary of TSPL, Agratas enjoys superior financial flexibility, which gives Agratas easy access to debt market for raising funds. Per sanction terms, TSPL and its affiliates are stipulated to maintain minimum 51% controlling stake and management control of Agratas in the tenor of rated bank facilities.

Significant importance of ACC battery business in the overall group strategy of TSPL
Agratas is setting up greenfield manufacturing facilities for production of advanced chemistry cells, Nickel Manganese Cobalt (NMC) and Lithium Iron Phosphate (LFP) cells, primarily for EVs and ESS, along with battery pack manufacturing, with planned capacity of over 20 GWh in phases, depending upon market dynamics. Phase 1 of the project is expected to start commercial production in CY 2027. Agratas is of strategic importance to the Tata group's automotive and power business; to drive transition to e-mobility and energy storage requirements of renewable energy business. Agratas has strong revenue visibility, for its phase 1 project, in the form of ready demand for NMC high-voltage batteries from JLR's EV programme. Going forward, the company has plans to supply battery products to other automotive, mobility, and ESS customers.

Long-term favourable demand prospects for advanced chemistry batteries
To promote domestic battery manufacturing and reduce dependence on imports, central and state governments have introduced policy measures in the last few years. GoI approved production-linked incentive (PLI) scheme, National Programme on ACC Battery Storage, for achieving a manufacturing capacity of 50 gigawatt hour (GWh) of ACC battery, with a budgetary outlay of ₹18,100 crore. On the demand side, there has been a significant push by both central and state governments to accelerate the adoption of EVs and grid-level battery storage systems. Favourable global and domestic demand prospects for batteries and government's policy measures aiding cost-competitiveness are expected to be favourable for domestic manufacturers. Although Agratas is not expected to avail incentives from Central government, it may avail some incentives from State government.

Liquidity: Strong

Agratas' strong liquidity is underlined by its access to need-based financial support from TSPL in a timely manner. Being part of the Tata group, Agratas enjoys superior financial flexibility, given its ability to easily access debt markets and raise funds at competitive interest rates. By March 31, 2026, sponsors have invested ₹3,940 crore in equity of Agratas, a part of which is invested by Agratas in its subsidiary in UK.

Key weaknesses

Inherent risks associated with a large-sized project which is at an early stage
Currently, the project is at an early stage, and hence, it is exposed to implementation risk and stabilisation risk. Tata group is a new entrant in this space. However, Tata group's experience of executing large-scale complex projects and tie-up with established technology-cum-equity partner, mitigates this risk to some extent.

Intense competition from China
Entire battery manufacturing value chain is largely concentrated in China, which produces ~75% of global production of lithium-ion batteries. It is a largest manufacturer of battery cell components with over 70% of global production capacity of cathodes and anodes. China has an advantage of large economies of scale with full integration across battery manufacturing value chain. Accordingly, ability of Agratas to manufacture cost-effective batteries with latest technology and earn envisaged returns on its large-size investment will be critical.

Technology risk owing to the evolving battery technology
Battery manufacturers are exposed to technology risk since ACC technology has been constantly evolving, exposing the products manufactured by Agratas to the risk of obsoletion in case of emergence of superior technology.

Applicable criteria:

Definition of Default
Rating Outlook and Rating Watch
Notching by Factoring Linkages in Ratings
Manufacturing Companies
Project Stage Entities
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial Sector Entities
Short Term Instruments
Withdrawal Policy

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Electrical equipment	Other electrical equipment

Incorporated on March 10, 2023, Agratas Energy Storage Solutions Private Limited (Agratas) is an 88% subsidiary of Tata Sons Private Limited, whereas balance 12% stake is held by AESC Apollo Holding Limited, which is also a technology partner. Agratas is setting up NMC battery manufacturing facility at Sanand, Gujarat, India. Phase 1 capacity is expected to start commercial production by CY 2027, with further plans for expansion to over 20 GWh, depending on market dynamics.

Brief financials: Not applicable, as it is a project phase entity.

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-External Commercial Borrowings	-	-	-	October 2030	1,309.00	CARE AA+; Stable
Fund-based - LT-Term Loan	-	-	-	February 2026	0.00	Withdrawn
Fund-based - ST-Bank Overdraft	-	-	-	-	26.50	CARE A1+
Fund-based/Non-fund-based-LT/ST	-	-	-	-	914.50	CARE AA+; Stable / CARE A1+
Non-fund-based-Short Term	-	-	-	-	750.00	CARE A1+

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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE AA+; Stable (05-Sep-25)	1)CARE AA+; Stable (05-Aug-24)	-
2	Fund-based - ST-Bank Overdraft	ST	26.50	CARE A1+	-	1)CARE A1+ (05-Sep-25)	1)CARE A1+ (05-Aug-24)	-
3	Fund-based/Non-fund-based-LT/ST	LT/ST	914.50	CARE AA+; Stable / CARE A1+	-	1)CARE AA+; Stable / CARE A1+ (05-Sep-25)	1)CARE AA+; Stable / CARE A1+ (05-Aug-24)	-
4	Non-fund-based-Short Term	ST	750.00	CARE A1+	-	1)CARE A1+ (05-Sep-25)	1)CARE A1+ (05-Aug-24)	-

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	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
5	Fund-based - LT-External Commercial Borrowings	LT	1,309.00	CARE AA+; Stable	-	-	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short 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	Fund-based - LT-External Commercial Borrowings	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Bank Overdraft	Simple
4	Fund-based/Non-fund-based-LT/ST	Simple
5	Non-fund-based-Short Term	Simple

Annexure-5: Lender details:

To view lender-wise details of bank facilities please click here

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	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.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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

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