RATING RATIONALE **13 December 2024**

Telangana State Power Generation Corporation Limited

Brickwork Ratings reaffirms the long-term and short-term ratings, continues to the Issuer not Cooperating category for the bank loan ratings of Rs. 3852.70 Crs, and withdraws the proposed long-term ratings of Telangana State Power Generation Corporation Limited

Particulars

Facilities	Previous Limits (Rs. Crs.)	Present Limits (Rs. Crs.)	Tenure	Previous Ratings (10-Apr-2024)	Rating Recommended#
Fund Based-Sanctioned	3652.70	**3652.70**	Long Term	BWR BB+/Stable Continues to be in the ISSUER NOT COOPERATING* category/Downgraded	**BWR BB+/Stable Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed and Withdrawn**
Fund Based - Proposed Limits	647.30	**0.00**	Long Term	BWR BB+/Stable Continues to be in the ISSUER NOT COOPERATING* category/Downgraded	**Withdrawn**
Non-Fund Based-Sanctioned	200.00	**200.00**	Short Term	BWR A4+ Continues to be in the ISSUER NOT COOPERATING* category/Downgraded	**BWR A4+ Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed and Withdrawn**
Total	**4500.00**	**3852.70**	**Rupees Three Thousand Eight Hundred Fifty-Two Crores & Seventy Lakhs Only**		

Please refer to the BWR website www.brickworkratings.com/ for a definition of the ratings and Withdrawal Policy.
* Issuer did not cooperate, based on the best available information.
**Details of Bank facilities are provided in Annexure-I.

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Brickwork Ratings (BWR) withdraws the rating of BWR BB+/stable & BWR A4+ and continues to be in the ISSUER NOT COOPERATING* category/Downgraded for Rs. 3852.70 Crores and withdraws the rated Proposed limits of Rs. 647.30 Crores. The withdrawal of the bank loan facilities is based on the company's request for withdrawal and the No Due Certificate issued by the rated lenders. With regards to proposed facilities, the company has submitted an undertaking that the BWR Rating has not been used for raising any such loans. The withdrawal ratings are in line with BWR's policy on the withdrawal of its ratings for bank loan facilities, and the relevant documents are held on record.

The lenders/investors may note to exercise due caution while using the above rating which mentions "Issuer Not Cooperating" since the rating lacks required details as it is arrived at based on the best available information without any management/banker's interaction.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress.

ABOUT THE ENTITY (Information available as of July 2022)

Macro Economic Indicator	Sector	Industry	Basic Industry
Utilities	Power	Power	Power Generation

Telangana State Power Generation Corporation Limited (TSGENCO), wholly owned by the Government of Telangana (GoT), was incorporated on 19 May 2014 under the Companies Act, 2013, and started functioning from 02 June 2014 as per the AP Reorganization Act, 2014. Based on the geographical location, the power projects in Telangana were transferred to TSGENCO, and those in the residual AP remained with APGENCO, w.e.f. 02 June 2014. As of 31 March 2023, the installed capacities of the company stood at 6485.26 MW, comprising 4042.50 MW of thermal power, 2441.76 MW of hydropower, and 1MW of solar power. During FY23, the company reported average thermal PLF levels of 71.84%.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA To arrive at its ratings, BWR has considered the company's standalone financials. Additionally, BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Units	FY22	FY23	FY24
Result Type		Audited	Provisional	Provisional/ Audited
Operating Revenue	Rs. Crs.	13654.03	15595.67	NA
EBITDA	Rs. Crs.	4917.26	4503.43	NA
PAT	Rs. Crs.	399.45	430.92	NA
Tangible Net Worth	Rs. Crs.	6110.46	6594.00	NA
Total Debt/TNW	Times	5.12	5.11	NA
Current Ratio	Times	1.09	1.09	NA

NA = Not Available

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY: No

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]:

Sl. No.	Facility	Current Rating (December 2024)			Rating History							
					2024		2023		2022		2021	
	Bank Loan	Type	Amount Rated (Rs. Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
1	Fund Based	Long Term	2302.70	BWR BB+/Stable Continues to be in ISSUER NOT COOPERATING * category/ Reaffirmed and Withdrawn	10 April 2024	BWR BB+/Stable Continues to be in the ISSUER NOT COOPERATING* category/ Downgrade	06 Oct 2023	BWR BBB+/Stable ISSUER NOT COOPERATING*/ Downgrade	07 July 2022	BWR A-/Stable Assignment	NA	NA
2	Fund Based^	Long Term	50.00	BWR BB+/Stable Continues to be in ISSUER NOT COOPERATING * category/ Reaffirmed and Withdrawn	10 April 2024	BWR BB+/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgrade	06 Oct 2023	BWR BBB+/Stable ISSUER NOT COOPERATING*/ Downgrade@	07 July 2022	BWR A+ (CE)/ Stable Reaffirmation	29 Mar 2021	BWR A+ (CE)/ Stable Reaffirmation
3	Fund Based	Long Term	1300.00	BWR BB+/Stable Continues to be in ISSUER NOT COOPERATING * category/ Reaffirmed and Withdrawn	10 April 2024	BWR BB+/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgrade	06 Oct 2023	BWR BBB+/Stable ISSUER NOT COOPERATING*/ Downgrade	07 July 2022	BWR A-/ Stable Reaffirmation	29 Mar 2021	BWR A-/ Stable Downgrade
4	Fund Based-Proposed Limits	Long term	0.00#	Withdrawn	10 April 2024	BWR BB+/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgrade	06 Oct 2023	BWR BBB+/Stable ISSUER NOT COOPERATING*/ Downgrade	07 July 2022	BWR A-/ Stable Reaffirmation	29 Mar 2021	BWR A-/ Stable Downgrade
5	Non Fund Based	Short Term	200.00	BWR A4+/Stable Continues to be in ISSUER NOT COOPERATING * category/ Reaffirmed and Withdrawn	10 April 2024	BWR A4+ Continues to be in ISSUER NOT COOPERATING* category/Downgrade	06 Oct 2023	BWR A2 ISSUER NOT COOPERATING*/ Downgrade	07 July 2022	BWR A2+ Reaffirmation	29 Mar 2021	BWR A2+ Reaffirmation
	Total		3852.70	Rupees Three Thousand Eight Hundred Fifty-Two Crores & Seventy Lakhs Only								

*Issuer did not cooperate; based on best available information
^Supported by the guarantee of Government of Telangana; @Revision in analytical approach from CE to standalone
#Proposed bank loan facilities of Rs. 647.30 Crores are withdrawn based on the undertaking for non-utilization of the rating provided by the company.

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple
For more information, visit
https://www.brickworkratings.com/download/ComplexityLevels.pdf

HYPERLINK/REFERENCE TO APPLICABLE CRITERIA

- General Criteria
- Approach to Financial Ratios
- What constitutes Non-Cooperation
- Infrastructure Sector
- Power Generation Projects
- Ratings of Entities Based on Government Support
- Rating Withdrawal Policy

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Telangana State Power Generation Corporation Limited

ANNEXURE I

Details of Bank Facilities rated by BWR

Rs. Crs.	Fund Based		Non-Fund Based	Previous Amount	Present Amount
Name of the Bank	Cash Credit	Term Loans (as rated on 07 Jul 2022)	Bank Guarantee		
Union Bank of India	300.00	68.11		368.11	368.11
State Bank of India	150.00	1000.00	200.00	1350.00	1350.00
Bank of Baroda	250.00	6.37		256.37	256.37
Canara Bank	200.00	500.00		700.00	700.00
Indian Bank	150.00	278.22		428.22	428.22
Punjab National Bank	250.00	500.00		750.00	750.00
Total - A	**1300.00**	**2352.70**	**200.00**	**3852.70**	**3852.70**
Proposed Loans - B	85.48	561.82		647.30	0.00
Total- A+B	**1385.48**	**2914.52**	**200.00**	**4500**	**3852.70**

Rupees Three Thousand Eight Hundred Fifty-Two Crores & Seventy Lakhs Only

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