



Press Release
SIKKIM URJA LIMITED (ERSTWHILE TEESTA URJA LIMITED)
July 30, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6703.46	ACUITE BBB+ Reaffirmed & Withdrawn	-
Bank Loan Ratings	3592.54	Not Applicable Withdrawn	-
Bank Loan Ratings	60.00	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	10356.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn the long term rating at “**ACUITE BBB+**” (read as **ACUITE triple B plus**) for Rs.6703.46 Cr. bank loan facilities of Sikkim Urja Limited. The rating has been withdrawn on account of the request received from the issuer along with no objection certificate received from the lender.

Further, Acuite has also withdrawn the long-term and short-term rating on the Rs.215.00 Cr. bank loan facilities of Sikkim Urja Limited without assigning any rating as the instrument is fully repaid. The rating has been withdrawn on account of the request received from the issuer along with no dues certificate received from the lender .

Acuite has also withdrawn the long-term rating on the Rs.3437.54 Cr. bank loan facilities of Sikkim Urja Limited without assigning any rating as it is a proposed facility. The rating has been withdrawn on account of the request received from the issuer.

The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

Rationale for Rating

The rating reaffirmation draws comfort from change in management from Sikkim Power Investment Corporation Limited/Government of Sikkim to Greenko Energies Private Limited (GEPL) and SUL has become a “Non-Government Company” and a subsidiary of GEPL. Further the rating is supported by the irrevocable and unconditional guarantee to the tune of Rs.375.00 Cr. extended by GEPL which provides financial flexibility to the company. The company has received all required approvals as on date for reconstruction of dam and is expecting coffer dam (Stage – I) to be operationalized by December, 2025 wherein revenue generated from same will be utilized for debt servicing and construction for main dam. The company is further expecting proceeds from insurance company and Haryana State Utility Discom, which is expected to ease out liquidity for the company. In addition, PPA agreements with UP, Haryana and Rajasthan are still active despite having operations halted for more than one year.

About the Company

Incorporated in 2005, Sikkim Urja Limited (Erstwhile Teesta Urja Limited) is a subsidiary of Greenko Energies Private Limited (GEPL) holding 64.22 per cent stake w.e.f. 05.03.2025. Earlier, the company was promoted by

Sikkim Power Investment Corporation Limited/Government of Sikkim. The company is engaged in hydro power generation and has set up 1,200 MW Teesta Stage III hydroelectric electric project in Sikkim. The project was commissioned in February 2017. SUL has entered into Power Purchase Agreement (PPA) for 35 years with PTC India Limited (PTC) for sale of entire saleable power out of which 70 percent of the power is to be sold under long term basis and balance 30 percent to be sold on short term basis. Company has its registered office in New Delhi. Mr. Dondla Nagendra Prasad, Mr. Naredla Venugopala Rao, Mrs. Stuti Kacker, Mr. Lov Verma, Mr. Gopalam

Adishesu, Mr. Hemant Das, Mr. Anoop Kumar Mittal. Mr. Jampana Venkata Satyadurgaprasada Raju, Mr. Aditya Nath Das, Mr. Pankaj Goel and Mr. Arun Tyagi are the present directors of the company.

Unsupported Rating

ACUITE BB+

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of Sikkim Urja Limited (SUL) to arrive at the rating. Further, Acuite has notched up the rating by factoring in the irrevocable and unconditional guarantee to the tune of Rs.375.00 Cr extended by Greenko Energies Private Limited (GEPL).

Key Rating Drivers

Strengths

Unconditional and irrevocable guarantee by GEPL

SUL has set up the 1,200 MW Teesta Stage III hydroelectric electric project, which is the second largest hydro power project in India wherein Greenko Energies Private Limited has provided an irrevocable and unconditional guarantee upto an extent of Rs.375.00 Cr. for meeting any shortfall in debt servicing of lender dues during loan tenure of SUL lenders thereby providing financial flexibility to the company.

Revenue visibility backed by long term PPA's

Despite having operations halted for more than one year, PPA (Power Purchase Agreement) from UP, Rajasthan & Haryana DISCOMS are still active. Out of total 1200 MW capacity, 840 MW is tied up against the PPAs. The balance will be sold in energy exchanges on merchant rates. Furthermore, the company is expecting the first stage (Coffer Dam) to be operationalized by December, 2025. The total construction cost for Stage - I is expected to be Rs.1,371 Cr. and out of same Rs.300 Cr. is expected to be infused by GEPL. Unsecured loans to the tune of Rs.71.50 Cr. as on 31st March, 2025 (Prov.) has been received by GEPL, which will be converted to equity in FY2026. Revenue generated from the coffer dam is expected to be utilized for debt servicing and construction for main dam.

Weaknesses

Uncertainty over Insurance Claim & Expected Receivables from Haryana DISCOM

The company had submitted a claim to the insurance company against damages which includes both business and asset loss of Rs.5,084 Cr. The company has received Rs.250 Cr. as on 31st March, 2025 from insurance company however, there is still uncertainty regarding the claim amount that will receive against the damages. The company is further expecting to receive Rs. 1,535 Cr. from Haryana State Utility for non-operational of PPA as CERC & APTEL (Appellate Tribunal for Electricity) gave order in the favour of Sikkim Urja Limited. However, due to natural disaster SUL has been asked to give Bank Guarantee against it which is yet to be submitted by the company.

Project Execution Risk

The project is exposed to implementation risk as the reconstruction of the dam will be done by the company in two stages (I & II). Under Stage - I (coffer dam), currently powerhouse cleaning activities as well as other restoration activities related to roads, bridges, etc. are ongoing and water diversion into other direction for construction of the dam will be done once monsoon is over. The company is expecting the coffer dam to be operationalized by December, 2025. Further, Stage - II (main dam) is expected to be completed by March, 2029 as revenue generated from coffer dam will be utilized for debt servicing and construction for main dam.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Acuite takes into consideration the benefit derived by Sikkim Urja Limited from the support of Greenko Energies Private Limited and its strong brand presence.

Stress Case Scenario

While the rating has been derived on the standalone business and financial risk profiles of SUL, Acuite believes that being the 64.22% subsidiary of GEPL, in case of any stress case scenario, the required support would come from the parent entity.

ESG Factors Relevant for Rating

Sikkim Urja Limited is engaged in hydro power generation and the company's ESG commitment is critical for sustainable energy. Environmentally, the company focuses on clean energy production, minimizing carbon emissions. However, responsible management of water flow, biodiversity protection, and sediment control are

crucial to mitigate local ecological impacts. On the social front, occupational and workforce health and safety management are of primary importance given the nature of operations. Also, Hydro power plants generate large amount of employment in local communities thereby contributing to regional development and well-being. However, they are susceptible to unionization of labour force so managing social welfare of the local community is critical. Lastly on the Governance front, board of directors of the company comprises of professionals having expertise and experience in the field. Robust governance including regulatory compliance and ethical conduct enables long-term sustainable operations.

Rating Sensitivities

Not Applicable

Liquidity Position

Adequate

The liquidity position of the company is adequate marked by irrevocable and unconditional guarantee upto an extent of Rs. 375.00 Cr. extended by Greenko Energies Private Limited for the loans borrowed from REC and PFC, which provides financial flexibility to the company. Further, DSRA will be created equivalent to 1.3 times debt servicing obligation of one quarter as per sanction terms, when the coffer dam will be operational and same is expected to provide further comfort to the lenders. Moreover, the liquidity is supported by Rs.250 Cr. received by the company as on 31st March, 2025 from insurance company for claims submitted against damages and proceeds expected from Haryana State Utility Discom for non-operational of PPA as CERC & APTEL (Appellate Tribunal for Electricity) gave order in the favour of Sikkim Urja Limited, which may ease out liquidity for the company.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	0.00	2599.58
PAT	Rs. Cr.	(878.63)	(456.77)
PAT Margin	(%)	0.00	(17.57)
Total Debt/Tangible Net Worth	Times	4.69	2.46
PBDIT/Interest	Times	0.42	1.30

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
29 Jan 2025	Bank Guarantee (BLR)	Short Term	36.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	13.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	11.00	ACUITE A2+ (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	94.00	ACUITE BBB+ (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	33.00	ACUITE BBB+ (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	28.00	ACUITE BBB+ (Reaffirmed)
	Term Loan	Long Term	3351.85	ACUITE BBB+ (Reaffirmed)
	Term Loan	Long Term	3351.61	ACUITE BBB+ (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	3437.54	ACUITE BBB+ (Reaffirmed)
16 Oct 2024	Bank Guarantee (BLR)	Short Term	36.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Bank Guarantee (BLR)	Short Term	13.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Bank Guarantee (BLR)	Short Term	11.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Working Capital Demand Loan (WCDL)	Long Term	94.00	ACUITE BBB+ (Downgraded from ACUITE A Stable)
	Working Capital Demand Loan (WCDL)	Long Term	33.00	ACUITE BBB+ (Downgraded from ACUITE A Stable)
	Working Capital Demand Loan (WCDL)	Long Term	28.00	ACUITE BBB+ (Downgraded from ACUITE A Stable)
	Term Loan	Long Term	3351.85	ACUITE BBB+ (Downgraded from ACUITE A Stable)
	Term Loan	Long Term	3351.61	ACUITE BBB+ (Downgraded from ACUITE A Stable)
	Proposed Long Term Bank Facility	Long Term	3437.54	ACUITE BBB+ (Downgraded from ACUITE A Stable)
19 Jul 2023	Working Capital Demand Loan (WCDL)	Long Term	94.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	33.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	28.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	5067.89	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	5073.11	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Bank Guarantee (BLR)	Short Term	36.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	13.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	11.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Working Capital Demand Loan (WCDL)	Long Term	94.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Working Capital Demand Loan (WCDL)	Long Term	33.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Working Capital Demand Loan (WCDL)	Long Term	28.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)

21 Apr 2022	Term Loan	Long Term	5067.89	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	5073.11	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Issuer Rating	Long Term	0.00	ACUITE A- (IR) (Upgraded & Withdrawn from ACUITE BBB+ (IR) Stable)
	Bank Guarantee (BLR)	Short Term	36.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	13.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	11.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Proposed Non Convertible Debentures	Long Term	11028.00	ACUITE Provisional A- (Upgraded & Withdrawn from ACUITE BBB+ (Provisional) Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	36.00	Simple	Not Applicable Withdrawn
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	Not Applicable Withdrawn
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3437.54	Simple	Not Applicable Withdrawn
Rural Electrification Corporation Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2047	3351.85	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
Power Finance Corporation Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2047	3351.61	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
Punjab National Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	94.00	Simple	Not Applicable Withdrawn
Canara Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	33.00	Simple	Not Applicable Withdrawn
Bank of Baroda	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	28.00	Simple	Not Applicable Withdrawn

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr No	Company Name
1	Greenko Energies Private Limited
2	Sikkim Urja Limited

Contacts

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About Acuité Ratings & Research

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