

September 17, 2025

PTC India Limited: Long-term rating assigned; short-term rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer rating	-	-	[ICRA]AA (Stable); assigned
Short term – Fund based facilities	2,000.00	2,000.00	[ICRA]A1+; reaffirmed
Short term - Non-fund based facilities	3,500.00	3,500.00	[ICRA]A1+; reaffirmed
Commercial paper^	300.00	300.00	[ICRA]A1+; reaffirmed
Total	5,800.00	5,800.00	

*Instrument details are provided in Annexure I; ^The fund-based facilities amount will not exceed 2,000 crore, including commercial paper

Rationale

The assigned ratings favourably factor in the market leadership position of PTC India Limited (PTC) in the domestic power trading market with stable trading volumes and trading margins. It also factors in the stability in volumes from the long-term traded (LTT) including cross-borders trade (CBT) and medium term traded (MTT) segments, which supports the overall operational profitability of the company. The LTT and MTT segments account for ~40% of the traded volumes and contribute ~84% to the traded margins. The short-term traded (STT) segment accounts for ~60% of the traded margins and ~16% of the traded margins. ICRA takes note of the shift in volumes towards short-term trades in recent years on account of healthy demand from the merchant/short-term markets. However, despite a moderation in the share of LTT volumes in the mix, the volumes in the segment have remained largely stable at the absolute level.

PTC has ~8,525 MW of long-term contracts (including CBT) in place, which have an average residual maturity of 10-12 years. This provides the company with visibility on revenues and profitability over the medium to long term, driven by the healthy margins in the LT trading segment. However, the MTT segment is expected to witness decline on account of the contracts getting expired in the segment. Nonetheless, PTC is participating in bids for new medium term contracts, also, the company endeavours to participate in various opportunities in government schemes/projects related to long term renewable segment which will aid its growth in the LTT segment in future.

Apart from the trading margin, the company's profitability is driven by the surcharge income earned on delayed payments by the state distribution utilities (discoms). In FY2025, the net surcharge income rose to Rs. 267.7 crore from Rs. 178.9 crore in FY2024, improving the operating profitability further in FY2025. However, the surcharge income is expected to moderate, going forward, on expectations of timely payments from the discoms amid the implementation of the Late Payment Surcharge Rules since 2022.

The ratings are further supported by the company's ability to manage contractual and payment-related risks inherent in the power trading business. The contractual terms in majority of the power purchase agreements (PPAs) and power sale agreements (PSAs) in the LTT and MTT segments are identical in nature. PTC, however, is exposed to counterparty credit risks as its main offtakers are state discoms, most of which have financially weak to modest credit profile. Nevertheless, an experienced management, a prudent monitoring of receivables and payables by the management and its strong liquidity position are expected to limit this risk. PTC's debtor position has improved in recent years; the debtors stood at ~50 days as on March 31, 2025, compared to 61 days as on March 31, 2024.

ICRA has considered the standalone financials of the company for arriving the ratings. PTC India Financial Services Ltd (PFS) has been excluded to make a distinction between the trading and the financial services businesses. PTC has not extended any loan or corporate guarantee to PFS till date and no additional support from PTC to PFS is envisaged in the future and therefore the assigned rating does not factor in any financial support to PFS. However, any event of extraordinary support to PFS that affects PTC's liquidity and credit metrics will be a key monitorable. ICRA also notes abatement of concerns on the past corporate governance issues at PFS. The recent auditor reports of PTC and PFS were unqualified for FY2025 and ICRA will continue to monitor the developments in this regard.

PTC maintains a strong liquidity position, driven by unutilised limits of ~Rs. 1,924 crores along with cash and liquid balances of Rs. 1,947.44 crore as of June 2025 on account of proceeds from the sale of PTC Energy Limited (PEL) and healthy debtor realisation in Q1 FY2026. The financial profile of the company remains strong, reflected in the low leverage and robust debt coverage metrics marked by the absence of long-term debt. ICRA takes note that PTC is working on various opportunities while maintaining conservative capital structure. The capex plans will be aligned with its core trading business to ensure strategic synergy and shareholder value preservation.

The Stable outlook on PTC's rating reflects ICRA's opinion that the company will continue to maintain its strong market position in the power trading sector, supported by a diversified trading portfolio and healthy liquidity profile.

Key rating drivers and their description

Credit strengths

Dominant share in power trading market in India – PTC is the one of the largest players in the Indian power trading market. The company is likely to maintain its dominant market position despite rising competition. PTC benefits from its significant presence in the LTT and MTT segments, which helps to cushion the fluctuations in short-term volumes and margins.

Stable trading margins in LTT/CBTs – PTC has a strong portfolio of LT power trade, wherein it has back-to back PPAs with the developers and PSAs with the discoms for the purchase and sale of power, respectively. The profitability is mainly derived from LTT/CBT/MTT segment as its contribution in absolute terms to the overall gross margins was nearly 84% in FY2025 and provides stability to the volatile short-term trading margins which vary as per the market conditions. Income from the core trading business is supported by net rebate and the surcharge income the company earns on account of early payments to generators and payment delays from discoms, respectively. The surcharge income increased to Rs. 267.7 crore in FY2025 against Rs. 178.9 crore in FY2024 on account of stretched payments from discoms while the net rebate income remained healthy at Rs. 120.8 crores in FY2025 against Rs. 126 crore in FY2024. Nonetheless, the surcharge income is expected to moderate as the payments from the discoms have largely been streamlined.

Effective management of contractual risks – While the LT/CBT/MT trade is lucrative because of its relatively high and stable margins, it carries significant contractual risks on both the PPA and the PSA fronts. PTC, with its long track record and strong connect with utilities, has effectively managed these risks by having contractual safeguards in place, rebate for timely payments, late payment surcharge for delays in payments, presence of LCs as a payment security mechanism, termination liabilities, penalty for non-offtake by a discom and bank guarantee from the project developer guaranteeing supply of the agreed power. These terms are back-to-back in nature in both the PPAs and the PSAs for majority of the contracts.

Low leverage, strong debt coverage metrics and healthy liquidity profile - PTC's financial risk profile is marked by low leverage, strong debt coverage metrics and a healthy liquidity position. The company follows a conservative strategy on leverage, with no reliance on long-term borrowings and limited utilisation of working capital facilities. As on June 30, 2025, PTC had unutilised working capital limits of ~Rs. 1,924 crore and cash and liquid balances of Rs. 1,947.44 crore, primarily backed by proceeds from the sale of PTC Energy Limited in FY2025 and improved debtor realisations in recent times. With the company

exploring investments in trading-aligned initiatives, including renewable aggregation, cross-border hydro projects and energy storage, the amount of capex and the potential reliance on debt funding will remain a key monitorable. While PTC aims to maintain strategic alignment with its core trading business, any material increase in the investment outlay or leverage could have implications for its financial flexibility and credit profile.

Credit challenges

Significant counterparty risks due to poor financial health of discoms – PTC is exposed to the counterparty credit risks of its offtakers — the state power utilities which have weak to moderate credit profiles. The risk is mitigated to an extent by the diversified profile of its counterparties and the presence of contractual safeguards. Although the terms of the payment are back-to-back in both the PPAs and the PSAs, the company is obligated to make the payments to the developers even if the discoms delay their payments. The collections have remained satisfactory because of improved payment discipline of discoms over the past few years, aided by the implementation of the Late Payment Surcharge Rules since 2022.

Margins remain exposed to open positions –Although the current open position for the company is very limited, in case PTC takes any material open positions in future it will be monitorable.

Environmental and social risks

Environmental considerations - PTC India Limited exhibits low environmental risks as it derives majority of its revenues from power trading and has low exposure towards the lack of availability of natural resources, the possibility of not meeting the desired emission norms and carbon transition risks.

Social considerations - PTC India Limited has low social risks as it is largely engaged in the business of power trading which involves the purchase and sale of power from the developers to the discoms.

Liquidity position: Strong

PTC’s liquidity is strong, supported by sizeable unutilised limits of ~Rs. 1,900 crore as on June 30, 2025, and net cash and liquid balances of over Rs. 1,800 crore on a standalone basis. The strong operational profile of the core trading business, coupled with the minimal capex and debt servicing requirements, is expected to support the strong liquidity position of the company.

Rating sensitivities

Positive factors – The rating may be upgraded if the counterparty credit profile strengthens, particularly among state power utilities, thereby reducing the payment-related risks. A sustained improvement in trading volumes, led by growth in the long term and medium-term trading segments, would help improve the profits further and may favour an upgrade.

Negative factors – Pressure on PTC’s rating could arise if there is a significant build-up of net receivables for a prolonged period of time, increasing the leverage and weakening the liquidity profile. Further, a material decline in volumes from the LTT segment, which could adversely affect margin stability and revenue predictability, may weigh on the ratings. Extraordinary financial support to PFS, impacting PTC’s liquidity or debt coverage metrics, would be a key monitorable.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone; PTC India Financial Services Ltd (PFS) has been excluded to make a distinction between the trading and the financial services businesses

About the company

PTC India Limited was founded in 1999 to promote power trading in the country. The company's promoters are Power Grid Corporation of India Limited (PGCIL), NTPC Limited (NTPC), Power Finance Corporation Limited (PFC) and NHPC Limited (NHPC). PTC has been the pioneer in developing and implementing the concept of power trading in India. At present, it is a category-I licence holder (defined as per CERC guidelines), which permits the highest volumes of trading. In FY2025, the volume of traded electricity stood at 82.7 billion units. Over the years, PTC has diversified its service offering in the power sector by setting up an investment vehicle — PFS — for providing financial solutions in the energy value chain. In March 2025, PTC sold its 100% stake in PTC Energy Limited (PEL) holding wind power capacity of 288.8 MW to ONGC Green Limited for Rs. 1,179 crores.

Key financial indicators (audited)

	FY2024	FY2025	Q1 FY2026*
Operating income	34,458.0	34,961.6	3,929.0
PAT	369.0	854.8	104.8
OPBDIT/OI	1.3%	1.5%	3.5%
PAT/OI	1.1%	2.4%	2.7%
Total outside liabilities/Tangible net worth (times)	1.2	0.8	-
Total debt/OPBDIT (times)	0.9	0.2	-
Interest coverage (times)	35.1	19.7	-

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; AT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Unaudited

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2026)				Chronology of rating history for the past 3 years					
		Amount rated (Rs crore)	FY2026			FY2025		FY2024		FY2023	
			Sep 17, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based-Cash credit	Short term	2,000.00	[ICRA]A1 +	May 28, 2025	[ICRA]A1 +	May 31, 2024	[ICRA]A1 +	May 31, 2023	[ICRA]A1 +	May 31, 2022	[ICRA]A1 +
				-	-	Jun 21, 2024	[ICRA]A1 +	-	-	-	-
Non-fund based-Others	Short term	3,500.00	[ICRA]A1 +	May 28, 2025	[ICRA]A1 +	May 31, 2024	[ICRA]A1 +	May 31, 2023	[ICRA]A1 +	May 31, 2022	[ICRA]A1 +
				-	-	Jun 21, 2024	[ICRA]A1 +	-	-	-	-

						2024					
Commercial paper	Short term	300.00	[ICRA]A1 +	May 28, 2025	[ICRA]A1 +	May 31, 2024	[ICRA]A1 +	May 31, 2023	[ICRA]A1 +	May 31, 2022	[ICRA]A1 +
				-	-	Jun 21, 2024	[ICRA]A1 +	-	-	-	-
Issuer rating	Long term	-	[ICRA]AA (Stable)	-	-	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	Not Applicable
Commercial paper	Very Simple
Short term – Others - Non-fund based	Very Simple
Short term - Cash credit - Fund based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN No	Instrument name	Date of issuance/Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Issuer rating	-	-	-	-	[ICRA]AA (Stable)
NA	Fund based facilities	-	-	-	2000.00	[ICRA]A1+
NA	Non-fund based facilities	-	-	-	3500.00	[ICRA]A1+
NA	Commercial paper*	-	-	-	300.00	[ICRA]A1+

Source: Company

*Yet to be placed

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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