

October 09, 2025

## Kishtwar Transmission Limited: Rating upgraded to [ICRA]BBB+ (Positive); outlook revised to Positive from Stable

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund based – Term loans	305.00	305.00	[ICRA]BBB+ (Positive); upgraded from [ICRA]BBB- (Stable); outlook revised to Positive from Stable
<b>Total</b>	<b>305.00</b>	<b>305.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating action for Kishtwar Transmission Limited (KTL) factors in the significant progress achieved in the development of the transmission project, including the right of way (ROW) clearance for the entire project and the receipt of all required statutory/regulatory approvals. The overall project progress is 93% as of September 2025. The rating continues to factor in the established track record of its sponsor - Resonia Limited {RL; formerly known as Sterlite Grid 32 Limited (SGL 32)} - in implementing and operating power transmission projects. RL is a platform incorporated by Sterlite Grid 5 Limited (SGL5) and Singapore-based sovereign fund Government of Singapore Investment Corporation (GIC) with the shareholding ratio of 51% and 49%, respectively, by demerging the transmission business of Sterlite Power Transmission Ltd (SPTL) {now Sterlite Electric Limited}. RL currently holds a portfolio of 12 power transmission projects through various special purpose vehicles. Within these, three projects are operational as on date and the balance nine projects are under development. The commissioned power transmission projects have been operating at healthy line availability. GIC has made a funding commitment of \$500 million towards RL to develop and operate power transmission assets. The company has awarded a fixed-price EPC contract to RL, thereby eliminating raw material price movement risk. The rating favourably factors the completion of financial closure with the debt fully tied up and 100% of equity infused in the project.

ICRA positively notes that the project benefits from an assured offtake and stable cash inflows in the form of fixed monthly charges under the terms of the 35-year transmission service agreement (TSA), provided the line availability is maintained above the normative level of 98%, after commissioning. Further, the project, being a part of the interstate transmission system (ISTS), is expected to benefit from favourable payment security as per CERC Sharing Regulation 2020 managed by the Central Transmission Utility of India Limited (CTU), a subsidiary of Power Grid Corporation of India Limited, during the operating period.

The rating is, however, constrained by implementation risks as the project is still under the construction phase, though significant progress has been achieved. Further, ICRA notes that the commissioning of the project has been delayed compared to the initial project timeline (March 2025), due to weather conditions and other events. Nonetheless, the lenders have approved an extension of the Scheduled Commercial Operation Date (SCOD), and the project is now expected to be commissioned by March 2026. The company would file a petition for extension in COD with the Central Electricity Regulatory Commission (CERC), closer to the project completion. After commissioning, the company's profitability would be exposed to line availability and fluctuations in operations and maintenance (O&M) expenses. Nonetheless, the experience of the Group in the power transmission business should ensure adequate resource allocation for maintaining availability above the normative level of 98.0% and cost-efficient execution of O&M activity. The rating also considers the exposure of the company's debt coverage metrics to interest rate movement, post CoD, given the high leverage level with the project funded through debt and equity of 75:25 and the floating interest rates.

Further, as KTL's transmission project is linked to the 1,000-MW Pakaldul Hydro Electric Power Project(HEP) of Chenab Valley Power Projects Private Limited (a JV of NHPC Limited and Jammu And Kashmir State Power Development Corporation Limited), delays in the commissioning of the generation project could lead to the receipt of 50% of the transmission charges for the first six months after the commissioning of the transmission project or date of commissioning of the generation project, whichever is earlier, after which the receipt of full transmission charges will commence, subject to the requisite availability.

The Positive outlook reflects significant progress achieved in project execution and ICRA's expectation that the company would be able to commission the project by March 2026 without any major cost/ time overruns, on the back of an established track record of the Group in execution of power transmission projects.

### Key rating drivers and their description

#### Credit strengths

**Established track record of the sponsor group** – KTL is promoted by RL, a platform incorporated by SGL5 and Singapore-based sovereign fund GIC by demerging the erstwhile transmission business of Sterlite Power Transmission Limited (SPTL). The Group has significant track record in India's power transmission sector and hence, the project will continue to benefit from the established track record of the Group in implementing/operating power transmission projects.

**Synergy with Resonia Limited; fixed-price EPC contract signed** – The company enjoys synergy with Group company RL, which is also the EPC contractor for the transmission project under KTL. The experience of RL will help in the timely execution of the project. The company has entered a fixed-price EPC contract with RL, which helps the company to offset the exposure to adverse raw material price movements and provides strategic advantages to the company, including access to in-house expertise and enhanced control over project execution.

**Financial closure in place** – The company has achieved financial closure for debt funding of Rs. 305 crore, which has a door-to-door tenure of 23 years, including a moratorium of nine months after the scheduled CoD. Further, the promoters have infused 100% of their entire equity contribution of Rs. 101.67 crore towards the project cost. Additionally, the promoter (RL) has a track record of supporting its SPVs to fund the cost overruns, if any.

**Assured offtake under long-term TSA, strong payment security** – After commissioning, the company will enjoy assured offtake and stable cash inflows in the form of fixed monthly charges, provided the line availability is maintained above the normative level of 98% under the TSA with the long-term transmission customers. The project will also benefit from the diversified counterparty risk and favourable payment security as per CERC Sharing Regulation 2020.

#### Credit challenges

**Project execution risk** – The project has experienced delays in commissioning compared to the initial SCOD of March 2025, primarily due to weather conditions and other events. However, ICRA notes that the project has made substantial progress, achieving 93% cumulative completion as of September 2025. The lender has approved an extension of the SCOD to March 31, 2026, with term loan repayments scheduled to commence from November 2026. The company would file a petition for extension of SCOD with CERC, post commissioning of the project. Hence, timely commissioning of project as per revised SCOD remains a key monitorable for the company.

**Moderate operations and maintenance risks** – After commissioning, the company's profitability would remain exposed to the variations in O&M expenses and line availability. However, experience of the group in the power transmission business should ensure adequate resource allocation and cost-efficient execution of the O&M activity.

**Interest rate risk** – The project is being funded by debt-to-equity funding mix of 3:1, with the debt having floating interest rates. Thus, the company's debt coverage would be exposed to interest rate movement, post commissioning, given the largely fixed transmission revenue.

## Liquidity position: Adequate

The liquidity position of the company is expected to remain adequate, given the availability of the requisite debt funding and 100% of equity infusion completed for the project. Further, cost overrun due to delays in the project would be funded by promoter contribution, thereby providing comfort. Also, there is adequate buffer between the scheduled commissioning date and the debt repayment commencement date.

## Rating sensitivities

**Positive factors** – ICRA could upgrade the rating following the commissioning and stabilisation of the transmission project without any major time/cost overruns.

**Negative factors** – Pressure on the rating could emerge in case of any significant delay in project commissioning, or sizeable cost overrun leads to delays in the cash flow generation and impacts the liquidity position of the company.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Power Transmission</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

## About the company

Kishtwar Transmission Limited (KTL) is a special purpose vehicle (SPV) incorporated to set up a transmission system for the evacuation of power from the Pakaldul HEP in Chenab Valley (Jammu) HEPs. The project involves setting up a new substation at Kishtwar, Jammu, along with connecting bays and double-circuit transmission line of 1.4 km. The project was awarded through tariff-based competitive bidding by PFC Consulting Limited (PCL; bid process coordinator for power transmission projects appointed by Government of India), wherein Sterlite Grid 24 Limited (subsidiary of SPTL) emerged as the winning bidder with a quoted levelised tariff of Rs. 38.84 crore/annum. In December 2022, following the bidding process, KTL was acquired by Sterlite Grid 24 Limited from PCL. While the letter of intent was issued by PCL in March 2022, the SPV acquisition was delayed owing to delay in the signing of the TSA by one of the LTTCs. The project is being implemented on a built, own, operate and maintain (BOOM) basis, with a TSA tenure of 35 years after commissioning. The budgeted cost of the project is Rs. 406.7 crore, funded through debt and equity of 75:25.

**Key financial indicators:** Not meaningful as the project is under construction

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years			
	Type	Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	
			October 09, 2025	Jul 26, 2024	Apr 06, 2023	-	
Term loan	Long-term	305.00	[ICRA]BBB+ (Positive)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)	-	

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	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	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan-I	December 2022	-	March 2045	305.00	[ICRA]BBB+ (Positive)

Source: Company

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

**Annexure II: List of entities considered for consolidated analysis: Not applicable**

## ANALYST CONTACTS

**Girishkumar Kadam**

+91 22 6114 3441

[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Ankit Jain**

+91 12 4454 5865

[ankit.jain@icraindia.com](mailto:ankit.jain@icraindia.com)

**Rachit Mehta**

+91 22 6169 3328

[rachit.mehta2@icraindia.com](mailto:rachit.mehta2@icraindia.com)

**Arnav Gandhi**

+91 22 6169 3352

[arnav.gandhi@icraindia.com](mailto:arnav.gandhi@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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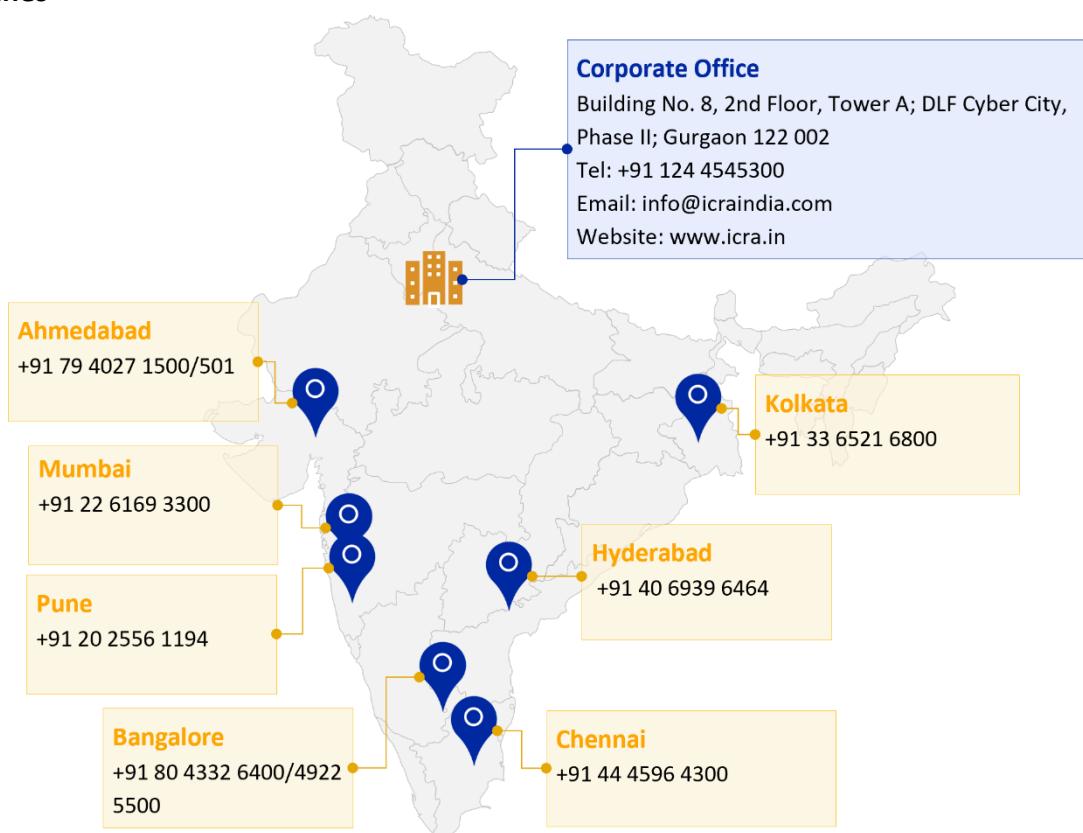
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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