

January 13, 2026

## Kishtwar Transmission Limited: Rating upgraded to [ICRA]A- (Positive)

### 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]A-(Positive); upgraded from [ICRA]BBB+(Positive)
<b>Total</b>	<b>305.00</b>	<b>305.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating upgrade factors in the successful completion of the transmission project by Kishtwar Transmission Limited (KTL) in November 2025 within the budgeted costs, thereby mitigating execution risks. The company has received energisation approval from the Central Electricity Authority (CEA) and has declared the deemed commercial operation date (COD). However, the trial run completion certificate from the Power System Operation Corporation Limited (POSOCO) is pending. ICRA notes that 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 joint venture between NHPC Limited and Jammu & Kashmir State Power Development Corporation Limited. However, Pakaldul HEP's commissioning has been delayed. As per regulation, delays in the commissioning of the generation project will lead to the receipt of 50% of the transmission charges for the first six months after the commissioning of the transmission project, after which the receipt of full transmission charges will commence, subject to the requisite availability.

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 the Singapore-based sovereign fund Government of Singapore Investment Corporation (GIC), with shareholding of 51% and 49%, respectively, through the demerger of 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. Of these, three projects are operational as on date, while the remaining 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.

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 after commissioning. Further, the project, being a part of the interstate transmission system (ISTS), is expected to benefit from favourable payment security as per the 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 the limited operating track record of the project, as billing is yet to commence. The demonstration of line availability in line with or above the normative level on a sustained basis remains a key monitorable. Also, the stabilisation of collections post commencement of billing remains another key monitorable. Additionally, the project will remain exposed to variability in operations and maintenance (O&M) expenses, which might impact its profitability. Nonetheless, the experience of the Group in the power transmission business should ensure adequate resource allocation for maintaining availability above the normative level and cost-efficient execution of O&M activities. The rating also considers the

exposure of the company's debt coverage metrics to interest rate movements, given the high share of debt funding in the project cost and the floating interest rates.

The Positive outlook reflects ICRA's expectation that KTL's credit profile is likely to improve further over the near to medium term with the demonstration of a satisfactory track record of line availability and the stabilisation of collections, leading to a healthy liquidity position.

## 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 the Singapore-based sovereign fund GIC through the demerger of the erstwhile transmission business of Sterlite Power Transmission Limited (SPTL). The Group has a 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 and operating power transmission projects.

**Assured offtake under long-term TSA; strong payment security** – The presence of a long-term TSA (35 years) with availability-linked tariff payments limits the demand and tariff risks for the transmission project of KTL. The company is eligible to receive the full quoted tariff under the TSA if the line availability is maintained at or above 98.0%. Also, the company would be eligible to receive incentives for availability above the normative level.

### Credit challenges

**Limited track record of operations** – The project is yet to receive the trial run completion certificate from POSOCO, and billing is yet to commence. As the revenues are linked to the stipulated line availability, the company's ability to maintain line availability in line with or above the normative level of 98% on a sustained basis will be a key rating monitorable. Also, the stabilisation of collections post commencement of billing remains another key monitorable.

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

**Interest rate and refinancing risks** – The project is funded primarily through debt, with the debt carrying floating interest rates. Thus, the company's debt coverage would be exposed to interest rate movements, given the largely fixed transmission revenue.

### Liquidity position: Adequate

The liquidity position of the company is expected to remain adequate, with cash flows from operations expected to be sufficient in relation to the debt servicing obligations. Additionally, comfort is derived from the presence of a debt service reserve account (DSRA) equivalent to one quarter of debt servicing. Further, an additional three-month DSRA will be created within one year of COD from the project's cash flows, thereby increasing the DSRA to cover two quarters of debt servicing. Also, there is an adequate buffer between the commissioning date and the commencement of debt repayment.

### Rating sensitivities

**Positive factors** – The company's ability to maintain above-normative line availability, along with healthy collections on a sustained basis, leading to comfortable debt coverage metrics and a healthy liquidity profile, could lead to a rating upgrade.

**Negative factors** – The company's inability to maintain line availability within the normative levels on a sustained basis, or delays in receiving payments under the pooling mechanism adversely impacting the company's cash flows and liquidity profile may trigger a rating downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies 9 Bold	<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 establish a transmission system for evacuation of power from Pakaldul HEP in Chenab Valley (Jammu) HEPs. The project involved setting up a new substation at Kishtwar, Jammu, along with connecting bays and a double-circuit transmission line of 1.4 km. The project was implemented on a built, own, operate and maintain (BOOM) basis, with a TSA tenure of 35 years. All elements of the project were completed in November 2025.

**Key financial indicators:** Not meaningful as the project was under construction in FY2024, FY2025 and H1FY2026.

**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)	Jan 13,2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long Term	305.00	[ICRA]A- (Positive)	Oct 09, 2025	[ICRA]B BB+ (Positive )	Jul 26, 2024	[ICRA]B BB- (Stable)	Apr 06, 2023	[ICRA]B BB- (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]A- (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

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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