

January 16, 2026

Gulbarga Electricity Supply Company Limited: Change in limits

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Ratings outstanding
Long term – Fund Based – Term Loans	797.16	797.16	[ICRA]BBB- (Stable)
Long term – Fund Based – Overdraft	100.00	145.00	[ICRA]BBB- (Stable)
Long term – Fund based – Capex loan	300.00	300.00	[ICRA]BBB- (Stable)
Long term/Short term – Unallocated	103.84	58.84	[ICRA]BBB- (Stable)/[ICRA]A3
Total	1,301.00	1,301.00	

*Instrument details are provided in Annexure I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position and rating sensitivities: [Click here](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Power Distribution Corporate Credit Rating Methodology
Parent/Group support	The assigned ratings factor in the systemic importance that Gulbarga Electricity Supply Company Limited (GESCOM) holds for the state power sector, which ICRA expects should induce the Government of Karnataka (GoK) to extend timely financial support to the rated entity, should there be a need
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of GESCOM

About the company

GESCOM, incorporated in 2002, is one of the five state-owned distribution utilities in Karnataka, which are licensed to supply electricity in the five designated areas of the state. GESCOM is licensed to distribute electricity to seven districts of Karnataka -Bellary, Bidar, Kalaburagi, Koppala, Raichur, Yadgiri and Vijayanagar -covering an area of 43,861 sq. km with 3.69 million consumers as on March 31, 2024. The other distribution utilities in Karnataka are Bangalore Electricity Supply Company Limited (BESCOM), Mangalore Electricity Supply Company Limited (MESCOM), Hubli Electricity Supply Company Limited (HESCOM) and Chamundeshwari Electricity Supply Corporation Limited (CESCOM). The transmission function in Karnataka is under state-owned Karnataka Power Transmission Corporation Limited (KPTCL), while the state-owned power generation assets are under KPCL.

Key financial indicators (audited/ Provisional):

GESCOM Standalone	FY2024	FY2025	Q1 FY2026*
Operating income	8,596.8	8,239.4	2,249.2
PAT	-1,496.6	-766.5	-17.3
OPBDIT/OI	-3.3%	7.0%	12.3%
PAT/OI	-17.4%	-9.3%	-0.8%
Total outside liabilities/Tangible net worth (times)	-7.4	-5.0	-4.6
Total debt/OPBDIT (times)	-17.8	10.7	5.0
Interest coverage (times)	-0.5	0.7	1.5

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current year (FY2026)			Chronology of rating history for the past 3 years						
		Amount rated (Rs. crore)	Jan 16, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term Loans	Long term	797.16	[ICRA]BBB-(Stable)	Jul 31, 2025	[ICRA]BBB-(Stable)	Apr 30, 2025	[ICRA]BBB-(Stable)	-	-	Jan 19, 2023	[ICRA]BBB-(Stable)
Overdraft Facilities	Long term	145.00	[ICRA]BBB-(Stable)	Jul 31, 2025	[ICRA]BBB-(Stable)	Apr 30, 2025	[ICRA]BBB-(Stable)	-	-	Jan 19, 2023	[ICRA]BBB-(Stable)
Letter of Credit	Short term	-	-	-	-	Apr 30, 2025	[ICRA]A3	-	-	Jan 19, 2023	[ICRA]A3
Capex Loans	Long term	300.00	[ICRA]BBB-(Stable)	Jul 31, 2025	[ICRA]BBB-(Stable)	-	-	-	-	-	-
Unallocated	Long term/Short term	58.84	[ICRA]BBB-(Stable)/[ICRA]A3	Jul 31, 2025	[ICRA]BBB-(Stable)/[ICRA]A3	-	-	-	-	Jan 19, 2023	[ICRA]BBB-(Stable)/[ICRA]A3

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund Based – Term Loans	Simple
Long term – Fund Based – Overdraft	Simple
Long term – Fund based – Capex loan	Simple
Long term/Short term – Unallocated	Not Applicable

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 Loans	Oct 2020	NA	Oct 2030	797.16	[ICRA]BBB- (Stable)
NA	Overdraft Facilities	NA	NA	NA	145.00	[ICRA]BBB- (Stable)
NA	Capex Loans	Oct 2024	NA	Oct 2034	300.00	[ICRA]BBB- (Stable)
NA	Unallocated	NA	NA	NA	58.84	[ICRA]BBB- (Stable)/[ICRA]A3

Source: Company data, ICRA Research

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

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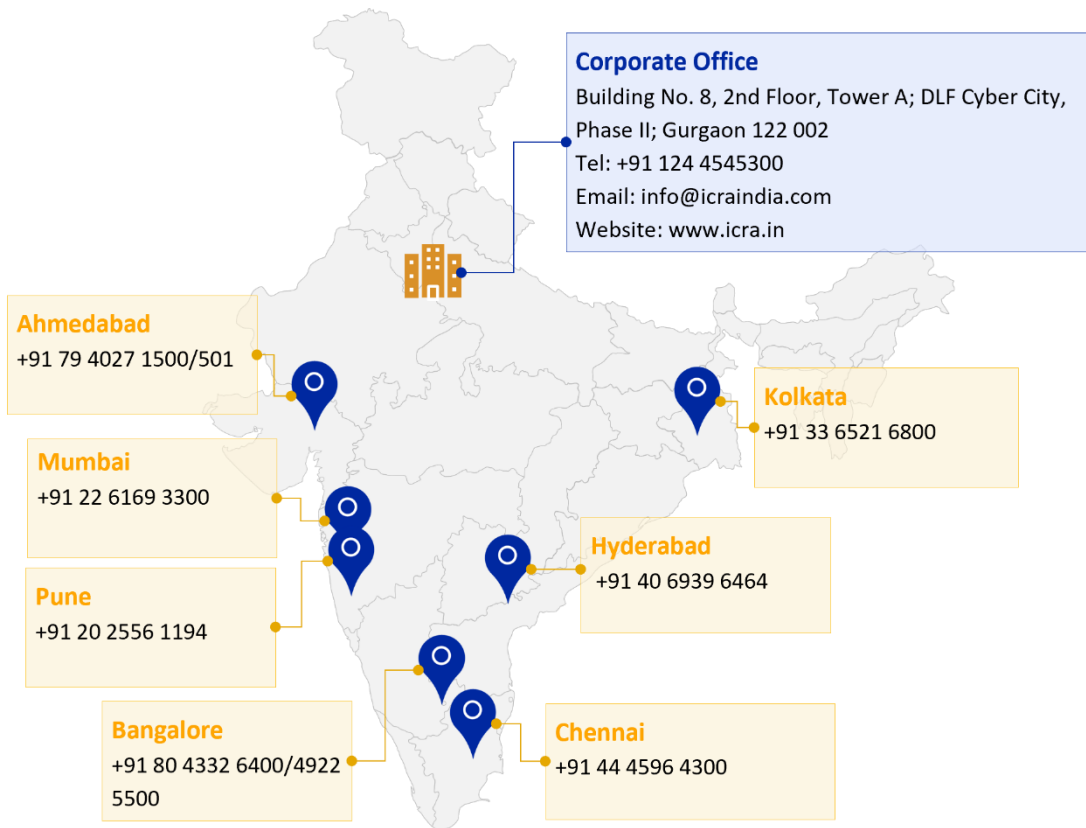
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