

March 10, 2026

Nuclear Power Corporation of India Limited: Rating reaffirmed; rating reaffirmed and withdrawn for matured NCDs

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture (NCD) programme	25,770.10	25,770.10	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture (NCD) programme	1,240.00	0.00	[ICRA]AAA (Stable); reaffirmed and withdrawn
Total	27,010.10	25,770.10	

*Instrument details are provided in Annexure I

Rationale

The rating continues to factor in the 100% ownership of Nuclear Power Corporation of India Limited (NPCIL/the company) by the Government of India (GoI) and its strategic importance to the GoI in the nuclear energy sector. The rating also factors in the company's established track record of operations, underpinned by decades of experience in the development and operation of India's nuclear power plant and the steady expansion of installed capacity over the years. The rating also considers the limited demand and tariff risks, supported by the long-term power purchase agreements (PPAs) with state distribution utilities for its entire operational capacity as per the tariff norms notified by the Department of Atomic Energy (DAE), GoI. Moreover, the tariffs offered by the operational capacity are cost-competitive in relation to the average pooled procurement cost (APPC) of the offtaking distribution utilities. The company has tied up PPAs for majority capacity of the recently commissioned Unit 7 of Rajasthan Atomic Power Station (RAPS) and the soon-to-be-commissioned RAPS 8, at a competitive tariff.

Further, ICRA takes note of the satisfactory track record of the operating capacity, with majority of the plants operating at higher-than-normative plant load factor (PLF), leading to stable cash flows. The PLF was, however, lower than normative in a few plants in FY2025 and 9M FY2026 because of maintenance and rectification works. Two units of the Tarapur Atomic Power Station (TAPS – 1 and 2) were under prolonged shutdown till December 2025. However, in January 2026, TAPS-1 has started production and the operations at TAPS-2 are expected to begin in Q1 FY2027. Also, unit 1 of the Madras Atomic Power Station (MAPS) is under a prolonged shutdown since April 2018. While the combined capacity of these shutdown units is only 540 MW (~6% of NPCIL's total capacity), their timely commencement remains important for an improvement in the company's overall generation. Further, TAPS-3, MAPS-2 and NAPS-1 were shut down for partial period in 9M FY2026, as part of their biannual shutdown (BSD). Kudankulam Nuclear Power Plant (KKNPP)-1&2 was under refueling shutdown (RSD) for a partial period. The company commissioned unit 7 (700 MW) of RAPS in April 2025, while RAPS-8 (700 MW) and KKNPP-3 (1000MW) are expected to be commissioned in Q1 FY027 and Q4 FY2027, respectively. With an additional capacity of 1,700 MW from RAPS-8 and KKNPP-3, the generation is expected to improve, going forward.

These strengths are, however, partially offset by NPCIL's high counterparty credit risk due to the moderate financial health of many of the offtaking state distribution utilities (discoms). However, this risk is mitigated to some extent by the diverse offtaker profile. Moreover, following the notification of the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, (LPS), notified by the Ministry of Power (MoP), Government of India, in June 2022, the realisation of invoices from the discoms has improved. This is evident from the reduction in the receivable position to Rs. 3,166.2 crore as on September 30, 2025, from Rs. 4,410.6 crore as on March 31, 2025, and Rs.6,901.9 crore as on March 31, 2023.

Further, the rating factors in the execution risks associated with the large under-construction capacity, which entails an annual capital expenditure of Rs. 19,000-24,000 crore, especially given the risk of delays in execution and cost overruns. Apart from RAPS-8 and KKNPP- 3&4, the company expects to commission units 5 and 6 (1000 MW each) of KKNPP by FY2031 and two units (700 MW each) of Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP) by FY2032. At present, there are 17 nuclear power plants under various stages of development, including four units under a joint venture (JV) with NTPC Limited. This is expected

to keep the company's leverage level high in the near to medium term.

Also, the relatively high capital cost of these projects is expected to necessitate high normative tariff rates. Nonetheless, the company's blended tariff is expected to remain competitive in relation to the discoms' APPC in the near to medium term. In this context, the company's ability to secure PPAs for the under-construction projects as per the normative cost, reflective of the tariff norms, remains a key rating monitorable. The ability to secure PPAs at remunerative rates would remain a key rating sensitivity for the company.

ICRA also takes note that the earlier fixed operator liability of Rs. 1,500 crore, in case of any nuclear accident, under the Civil Liability for Nuclear Damage Act, 2010, backed by an equivalent insurance cover, has now been replaced by a tiered liability structure under the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Act, 2025, with caps ranging from Rs. 100 crore to Rs. 3,000 crore based on reactor capacity.

ICRA has reaffirmed and withdrawn the rating of [ICRA]AAA(Stable) on the Rs. 1,240.00 crore non-convertible debentures (ISINs: INE206D08212 (Rs. 440 crore), INE206D08188 (Rs. 400 crore), INE206D08170 (Rs. 400 crore)). The NCDs (INE206D08212, INE206D08188, INE206D08170) were fully redeemed/there is no amount outstanding against the rated instrument. The rating was withdrawn in accordance with the policy on withdrawal of credit ratings.

The Stable outlook assigned to NPCIL reflects the company's healthy cash flow visibility, supported by an established track record of operations and the long-term PPAs for the operational capacity.

Key rating drivers and their description

Credit strengths

Strategic importance to Government of India, with demonstrated equity support - NPCIL has strategic importance to the GoI amid the push to reduce the dependence on fossil fuel-based generation and the long-term policy objective of expanding India's nuclear capacity to 100 GW by 2047. The entity is fully owned by the GoI and receives continuous support in the form of regular equity infusion as well as supply of fuel and coolants.

Limited demand risks and competitive tariff rates of existing projects – NPCIL's demand risk is mitigated by the long-term PPAs with the state distribution utilities for majority its operating capacity, as per the allocation approved by the Ministry of Power. The tariffs under the PPAs are single part and cost-plus based that cover the fixed and variable costs and are linked to the normative PLF (68.5%-80% basis plant capacity), as notified by the DAE. The last control period for the tariff norms expired in March 2022. The DAE has since notified the revised tariff norms in July 2025 (applicable from April 1, 2022); however, the station-wise tariff determination for the current control period, based on these norms, is yet to be published. Nevertheless, the tariff rates of the operating projects are competitive compared to the average pooled procurement cost (APPC) of the offtaking distribution utilities.

Established track record of operations – NPCIL has a long operating track record, with India's nuclear capacity increasing to 8,780 MW till February 2026, supported by NPCIL's role in the development and operation of nuclear reactors in the country. The company currently operates 24 (excluding RAPS-1) reactors across technologies involving boiling water reactors (BWR), pressurised heavy water reactors (PHWR) and light water reactors (LWR), with the most recent addition being the PHWR 700-MW RAPS-7 commissioned in April 2025. Its strengths are further demonstrated by a sizeable under-construction pipeline of 17 reactors totalling 13,100 MW, including RAPS-8 and KKNPP 3–4 which are in advanced stages of completion.

Healthy operational performance – The nuclear power stations of NPCIL have a healthy track record of operations with most units consistently achieving PLFs above the normative levels, supporting stable cash flows. The plant availability (PA) and the plant load factor (PLF) have largely been satisfactory up to FY2025. In 9M FY2026, the PLF moderated owing to scheduled maintenance. However, the PLFs continued to stay above the normative benchmarks for majority units. Also, the operating performance is expected to remain satisfactory, going forward, in line with the past trends.

Credit challenges

High counterparty credit risks – NPCIL's counterparty credit risk remains high because of the moderate financial profile of majority of the state distribution utilities with whom the PPAs have been signed. However, this risk is mitigated to some extent

by a diverse offtaker profile. Moreover, following the notification of the LPS scheme by the MoP, NPCIL’s collection efficiency has improved. Past dues as of June 2022 are being cleared by the discoms through instalments of 12-48 months. This has moderated the receivables and is expected keep the receivable position at a manageable level for the company over the medium term.

Risks associated with large under-construction portfolio - The execution risks remain high for NPCIL with a large under-construction portfolio aggregating to 6,100 MW across RAPS 8 (700 MW), KKNPP 3 to 6 (4000 MW) and GHAVP 1 & 2 (1,400 MW). This apart, there are 10 more units under various stages of development aggregating to 7,000 MW, including four units under a JV with NTPC. This will entail an annual capital expenditure of Rs. 19,000-24,000 crore over the next three years, with possible risk of delays and cost overrun. The capital cost of the under-construction projects remains relatively high, leading to high normative tariff, which may adversely impact the tariff competitiveness of these projects. Nonetheless, the company’s blended tariff is expected to remain competitive in the near term in relation to the APPC of the discoms. The timely signing of the PPAs for the upcoming projects remains a key monitorable for the company.

Liquidity position: Adequate

The liquidity profile of NPCIL is adequate, supported by positive cash flow from operations and free cash and bank balances of ~Rs. 6,356.53 crore as on January 31, 2026. The company has sizeable annual capital expenditure over the medium to long term. While the cash flow from operations, existing cash reserves and continued equity support from the GoI provide coverage for routine debt servicing and ongoing capex, the sizeable bullet repayments over the medium term is likely to require refinancing. However, the refinancing risk remains limited, given NPCIL’s exceptional financial flexibility, underpinned by its sovereign ownership and established ability to raise long-tenor funding. The liquidity is further supported by an improved payment discipline from the discoms since June 2022.

Rating sensitivities

Positive factors – Not applicable

Negative factors – NPCIL’s rating could face pressure if the operational nuclear power units show sustained under-performance with PLF below the normative level, adversely impacting the profitability and cash accruals. Any significant delays in payments from the offtakers adversely impacting its liquidity profile could be another negative factor. Also, the inability of the company to secure PPAs for the new projects at adequate tariffs would weigh on the rating. Further, any weakening of linkages with the Government of India would affect the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/group Support	The rating derives strength from NPCIL’s ownership by the Government of India and its strategic importance for nuclear power generation in the country
Consolidation/standalone	The rating is based on the consolidated financial profile of the company.

About the company

NPCIL is a public sector enterprise under the administrative control of the Department of Atomic Energy (DAE), the Government of India. NPCIL is responsible for the design, construction, commissioning and operations of nuclear power plants in the country. At present, NPCIL is operating 24 (excluding RAPS-1) nuclear power reactor units, with an installed capacity of 8,780 MW. NPCIL owns all the commercial nuclear reactors (24), except Rajasthan Atomic Power Station’s unit 1 (RAPS-1; 100 MW), which is owned by the DAE, the Government of India. In addition, NPCIL has 17 reactors under various stages of construction, totaling 13,100 MW of capacity.

Key financial indicators (audited)

NPCIL (Consolidated financials)	FY2024 (Audited)	FY2025 (Audited)	9M FY2026* (Unaudited)
Operating income (Rs. crore)	18484.2	19880.2	14066.4
PAT (Rs. crore)	6522.7	4685.6	2724.4
OPBDITA/OI (%)	55.4%	51.9%	38.3%
PAT/OI (%)	35.3%	23.6%	19.4%
Total outside liabilities/Tangible net worth (times)	1.73	1.86	-
Total debt/OPBDITA (times)	8.85	10.07	-
Interest coverage (times)	9.40	5.83	3.46

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *basis standalone financials of NPCIL for 9M FY2026

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 rating (FY2026)		Chronology of rating history for the past 3 years			
			Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	
				March 10, 2026	March 13, 2025	March 14, 2024	March 15, 2023	Dec 19, 2022
1	Non-convertible debentures	Long term	19,460.0	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
2	Non-convertible debentures	Long term	1,785.1	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
3	Non-convertible debentures	Long term	3,675.0	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
4	Non-convertible debentures	Long term	850.0	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
5	Proposed non-convertible debentures	Long term	-	-	-	-	[ICRA]AAA (Stable)	-
6	Non-convertible debentures	Long term	-	-	-	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
7	Non-convertible debentures	Long term	1,240.0	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Non-convertible debentures	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
INE206D08501	Non-Convertible Debentures – Series XXXVIII	21-Mar-2023	7.70%	20-Mar-2038	2500	[ICRA]AAA (Stable)
INE206D08493	Non-Convertible Debentures – Series XXXVII	23-Dec-2022	7.55%	23-Dec-2032	2350	[ICRA]AAA (Stable)
INE206D08485	Non-Convertible Debentures – Series XXXVI	24-Mar-2022	6.89%	24-Mar-2037	3675	[ICRA]AAA (Stable)
INE206D08477	Non-Convertible Debentures – Series XXXV	21-Mar-2021	6.80%	21-Mar-2031	1785.1	[ICRA]AAA (Stable)
INE206D08469	Non-Convertible Debentures – Series XXXIV	23-Jan-2020	7.34%	23-Jan-2030	2300	[ICRA]AAA (Stable)
INE206D08410	Non-Convertible Debentures – Series XXXIII	15-Dec-2016	7.25%	15-Dec-2027	2500	[ICRA]AAA (Stable)
INE206D08428				15-Dec-2028		
INE206D08436				15-Dec-2029		
INE206D08444				15-Dec-2030		
INE206D08451				15-Dec-2031		
INE206D08360	Non-Convertible Debentures – Series XXXII	28-Mar-2016	8.13%	28-Mar-2027	2000	[ICRA]AAA (Stable)
INE206D08378				28-Mar-2028		
INE206D08386				28-Mar-2029		
INE206D08394				28-Mar-2030		
INE206D08402				28-Mar-2031		
INE206D08311	Non-Convertible Debentures – Series XXXI	4-Aug-2015	8.23%	4-Aug-2026	3500	[ICRA]AAA (Stable)
INE206D08329				4-Aug-2027		
INE206D08337				4-Aug-2028		
INE206D08345				4-Aug-2029		
INE206D08352				4-Aug-2030		
INE206D08261	Non-Convertible Debentures – Series XXX	25-Mar-2015	8.14%	25-Mar-2026	2200	[ICRA]AAA (Stable)
INE206D08279				25-Mar-2027		
INE206D08287				25-Mar-2028		
INE206D08295				25-Mar-2029		
INE206D08303				25-Mar-2030		
INE206D08212	Non-Convertible Debentures – Series XXIX	28-Nov-2014	8.40%	28-Nov-2025	440	[ICRA]AAA (Stable); Withdrawn

ISIN No	Instrument name	Date of issuance/Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE206D08220				28-Nov-2026	1760	[ICRA]AAA (Stable)
INE206D08238				28-Nov-2027		[ICRA]AAA (Stable)
INE206D08246				28-Nov-2028		[ICRA]AAA (Stable)
INE206D08253				28-Nov-2029		[ICRA]AAA (Stable)
INE206D08188	Non-Convertible Debentures – Series XXVIII	23-Jan-2014	9.18%	23-Jan-2025	400	[ICRA]AAA (Stable); Withdrawn
INE206D08170				23-Jan-2026		400
INE206D08196				23-Jan-2027	1200	[ICRA]AAA (Stable)
INE206D08204				23-Jan-2028		[ICRA]AAA (Stable)
INE206D08162				23-Jan-2029		[ICRA]AAA (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Nuclear Power Corporation of India Limited	100.00% (Holding Company)	Full consolidation
Anushakti Vidhyut Nigam Limited	51.00%	Full consolidation
NPCIL Indian Oil Nuclear Energy Corporation Ltd.	74.00%	Full consolidation
L&T Special Steels and Heavy Forgings Private Limited	26.00%	Equity method

Source: Company

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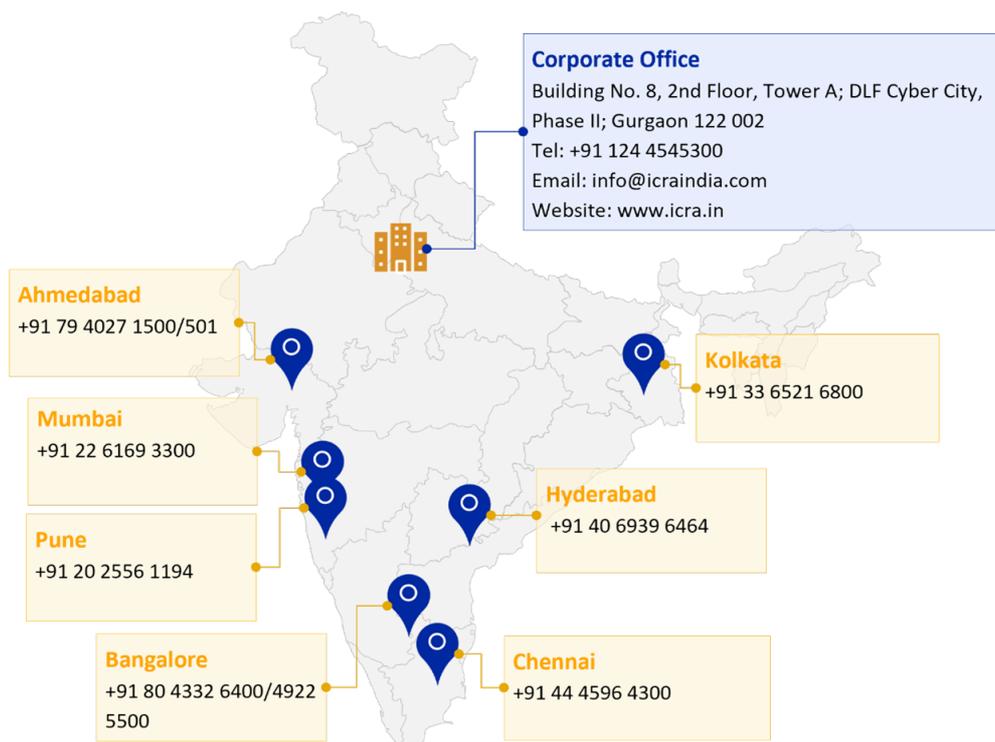


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