

June 12, 2026

## Mumbai Urja Marg Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debentures	2,450.00	2,450.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debentures	180.00	180.00	[ICRA]AAA (Stable); reaffirmed
<b>Total</b>	<b>2,630.00</b>	<b>2,630.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating reaffirmation for Mumbai Urja Marg Limited (MUMML) reflects the satisfactory operational track record of its power transmission project with the line availability remaining above the normative level for all the packages, since commissioning. MUMML is an inter-state transmission system (ISTS) project covering Western Region Strengthening Scheme-XIX (WRSS-XIX) and North-Eastern Region Strengthening Scheme-IX (NERSS-IX) spanning across Maharashtra, Gujarat, Assam and Arunachal Pradesh. This is a single project with four sub-packages (A, B, C and D). Package A was commissioned in June 2022, Package D in August 2023, Package B in September 2024 and Package C in October 2024. The weighted average track record of all the packages as a percentage of the tariff is approximately 24 months.

The rating also factors in the assured offtake for its power transmission project by virtue of a long-term (35 years) transmission service agreement (TSA) with availability-linked payments signed with 14 long-term transmission customers (LTTCS). Further, the project, being a part of the ISTS, is expected to benefit from favourable payment security under the pooling mechanism managed by the Central Transmission Utility of India Limited {CTU; subsidiary of Power Grid Corporation of India Limited (PGCIL)}. The CTU is responsible for the billing and collection on behalf of all the inter-state transmission licensees in the country, thereby significantly diversifying the counterparty credit risk. The availability-linked payments and low payment risk provide high visibility to the company's revenues and cash flows. The collections of the bills raised for all the packages are being realised in a timely manner, since commissioning.

The capital cost of the project increased from the appraised level of Rs. 2,854 crore to Rs. 3,099 crore, mainly due to an increase in right of way (ROW) expenses and higher interest during construction (IDC) because of delays in implementation. The company has claimed additional tariff across packages under change-in-law in lieu of the higher cost from the LTTCS, as per the Electricity (Timely Recovery of costs due to Change in Law) Rules dated October 22, 2021, notified by the Ministry of Power, Government of India. The company has obtained the Central Electricity Regulatory Commission's (CERC) approval under change-in-law (CIL) for the additional tariff for Package D, while for the remaining packages (Package B and C), the approval under change-in-law is under petition with the regulatory authority.

The company had refinanced its long-term debt by replacing the term loan of Rs. 2,046.1 crore with non-convertible debentures (NCD) amounting to Rs. 2,450 crore in December 2024. The additional debt availed was mainly used to fund the cost overrun and repay a portion of the subordinated debt of the promoters. The existing NCDs have a tenure of 14 years with a bullet repayment of 74.45% in Q2 FY2039. Further, the company raised additional NCD of Rs. 180.0 crore in August 2025, which was subscribed to by the existing NCD holders, following the approval of additional tariff under CIL for Package D. The proceeds were utilised towards the repayment of promoter unsecured debt and partly for funding outstanding capex creditors.

The coupon rate on the NCDs is fixed till eight years from the date of allotment of NCDs; however, the debenture holders have the right to reset the coupon rate thereafter. Further, the terms of the NCDs provide a put option to the debenture holders at the end of the eight years from the date of allotment. In addition, the company may be required to make mandatory prepayment of the NCDs, if its credit rating falls below AA. ICRA also takes note of the cross-default linkages with the parent under the terms of the NCDs. While these expose the company to refinancing risk, comfort can be drawn from the long TSA tenure of 35 years and the high certainty of cash flows for a power transmission project. The promoter contribution for the project is in the form of equity, compulsory convertible debentures (CCDs) and unsecured loans (USLs). The promoter USLs are subordinated to the external project debt. The debt coverage metrics of the project are expected to remain adequate, with the cumulative debt service coverage ratio (DSCR) estimated at 1.2–1.25x over the tenure of the debt.

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 GIC with a shareholding ratio of 51% and 49%, respectively, by demerging the transmission business of Sterlite Power Transmission Limited (SPTL). RL currently holds a portfolio of 14 power transmission projects through various special purpose vehicles. Within this, five projects are operational as on date and the balance nine projects are under development. The commissioned power transmission projects have been operating at a healthy line availability. GIC has made a funding commitment towards RL to develop and operate power transmission assets as per the shareholding agreement with Sterlite Grid 5 Limited.

The rating also considers the company's exposure to operations and maintenance (O&M) related risks, including the risk of an increase in O&M cost, inadequate maintenance resulting in lower line availability and potential deductions from transmission charges by the CTU. However, the experience of the sponsor in the power transmission business should ensure adequate resource allocation and cost-efficient execution of O&M activity. The rating also considers the exposure to interest rate risks, after eight years of the NCD issuance due to the high share of debt funding in the project cost and the largely fixed tariff under the TSA.

The Stable outlook on the long-term rating of MUML factors in the high cash flow visibility for its transmission project, supported by the long-term TSA, high line availability and a strong payment security.

## Key rating drivers and their description

### Credit strengths

**Assured offtake under long-term TSA with availability-linked payments** – 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 MUML. 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 over the normative level.

**Strong payment security from being a part of ISTS pool** - The transmission project under MUML is a part of the inter-state transmission grid, which enjoys strong payment security because of the pooling benefit at the national level. The CTU is responsible for raising bills and collecting payments from the consumers of the transmission system and distributing the payments among various inter-state transmission licensees.

**Satisfactory operating performance** – The operational performance of all the packages has remained satisfactory with the line availability remaining above the normative level since commissioning. Also, the collections of the bills raised for all the packages are being realised in a timely manner.

**Debt coverage metrics expected to be adequate** – The debt coverage metrics of the project are expected to be adequate, with the cumulative DSCR seen to remain at 1.2x-1.25x over the debt tenure, supported by the long-term TSA with availability-linked tariff, the long tenure of the project debt and a competitive interest rate.

**Established track record of sponsor Group** - MUML is promoted by RL, a platform incorporated by SGL5 and Singapore-based sovereign fund GIC by demerging the erstwhile transmission business of SPTL. The project will continue to benefit from the established track record of the Sterlite Power Group in operating power transmission projects.

### Credit challenges

**Moderate operations and maintenance risk** - As the company’s revenues are subject to the maintenance of the stipulated line availability, it is important that the lines are maintained in a good condition, reducing instances of tripping and minimising the outage time. While MUML’s profitability will remain exposed to the variations in O&M expenses, the risk is partially mitigated as O&M expenses form a small proportion of the revenues. Further, the sponsors’ experience in the power transmission business should ensure adequate resource allocation and cost-efficient execution of the O&M activity.

**Refinancing risks** - The NCDs have a tenure of 14 years with a bullet repayment of 74.45% of the debt in Q2 FY2039. Further, the terms of the agreement provide a put option to the debenture holders at the end of eight years from the date of allotment. This exposes the company to refinancing risk. Nonetheless, comfort can be drawn from the long residual TSA tenure and the high certainty of cash flows for a power transmission project.

### Liquidity position: Strong

MUML’s liquidity profile is expected to remain strong with a healthy buffer between the cash flows from the project and debt servicing obligations, supported by a satisfactory line availability and timely realisation of payments. Additionally, comfort is derived from the presence of a debt service reserve account (DSRA) equivalent to two quarters of debt servicing being maintained by the company. As on June 03, 2026, the company had free cash and bank balances of Rs. 233.00 crore and a DSRA balance of Rs. 130.00 crore.

### Rating sensitivities

**Positive factors** – Not Applicable

**Negative factors** – Pressure on the rating could arise if lower-than-targeted line availability, higher expenses or increase in the company’s indebtedness result in a deterioration of the cumulative DSCR to less than 1.20 times on a sustained basis. In addition, delays in receiving payments under the pooling mechanism adversely impacting the company’s cash flows and liquidity profile may trigger a downgrade.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology 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

MUML is an is an ISTS project covering WRSS-XIX and NERSS-IX across Maharashtra, Gujarat, Assam and Arunachal Pradesh. This is a single project with four sub-packages (A, B, C and D). The project is implemented on a build, own, operate and maintain (BOOM) basis and has a TSA with 14 LTTCs for 35 years. Package A was commissioned in June 2022, Package D in August 2023, Package B in September 2024 and Package C in October 2024. The company is promoted by Sterlite Grid 18 Limited (SGL18; 49% stake) and RL (51% stake). RL holds a 100% stake in SGL18.

## Key financial indicators (audited)

	FY2025	FY2026*
<b>Operating income</b>	209.3	328.6
<b>PAT</b>	-8.5	30.8
<b>OPBDIT/OI</b>	94.5%	96.0%
<b>PAT/OI</b>	-4.1%	9.4%
<b>Total outside liabilities/Tangible net worth (times)</b>	7.3	6.7
<b>Total debt/OPBDIT (times)</b>	12.9	8.5
<b>Interest coverage (times)</b>	1.3	1.6

Source: Company, ICRA Research; \*Results; All ratios as per ICRA's calculations; Amount in Rs. crore; 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	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	FY2027		FY2026		FY2025		FY2024	
		Amount rated (Rs. crore)	June 12, 2026	Date	Rating	Date	Rating	Date	Rating
<b>NCD</b>	Long term	180.00	[ICRA]AAA (Stable)	Jun 17, 2025	[ICRA]AAA (Stable)	-	-	-	-
<b>NCD</b>	Long term	2,450.00	[ICRA]AAA (Stable)	Jun 17, 2025	[ICRA]AAA (Stable)	-	-	-	-
<b>Fund based - Term loan</b>	Long term	-	-	Jun 04, 2025	[ICRA]AAA (Stable)	-	-	-	-
		-	-	Jun 17, 2025	[ICRA]AAA (Stable); withdrawn	-	-	-	-

**Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026**

ICRA-rated instruments that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI’s grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
NCD	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE0F6K07016	NCD	Dec 16, 2024	7.95%	Sep 30, 2038	2,450.00	[ICRA]AAA (Stable)
INE0F6K08071	NCD	Aug 29, 2025	7.70%	Sep 30, 2038	180.00	[ICRA]AAA (Stable)

Source: Company

### Annexure III: List of entities considered for consolidated analysis: Not Applicable

## ANALYST CONTACTS

**Girishkumar Kashiram Kadam**  
+91 22 6114 3406  
[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Ankit Jain**  
+91 124 4545 865  
[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 3359  
[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)

## ABOUT ICRA LIMITED

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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



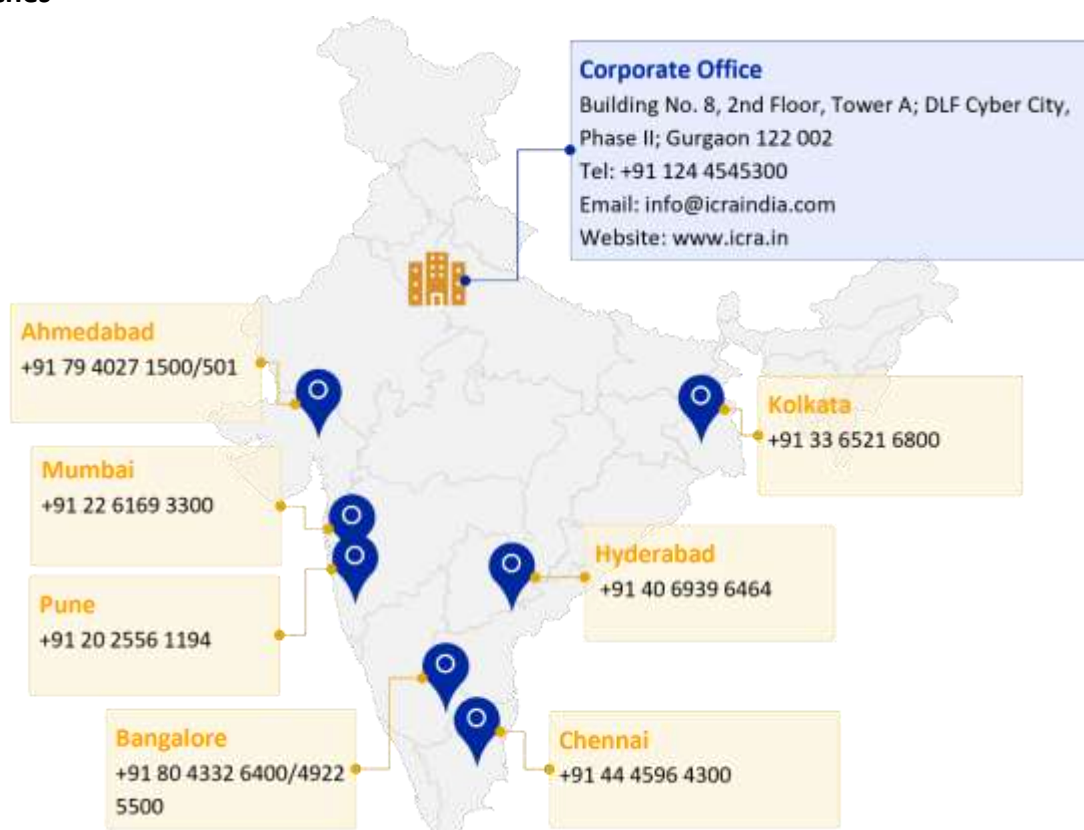
### Registered Office

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

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.