

March 24, 2025

## Karnataka Power Corporation Limited: Ratings moved to Issuer Non Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund-based - Term loan	19,922.62	19,922.62	[ICRA]BB (Stable); ISSUER NOT COOPERATING*; rating moved to 'ISSUER NOT COOPERATING' category
Long term – Fund-based - Cash credit	978.50	978.50	[ICRA]BB (Stable); ISSUER NOT COOPERATING*; rating moved to 'ISSUER NOT COOPERATING' category
Long term – Non-fund based	194.00	194.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING*; rating moved to 'ISSUER NOT COOPERATING' category
Short term – Fund-based - Short- term loan	13,407.00	13,407.00	[ICRA]A4; ISSUER NOT COOPERATING*; rating moved to 'ISSUER NOT COOPERATING' category
<b>Total</b>	<b>34,502.12</b>	<b>34,502.12</b>	

\* Issuer did not cooperate; based on best information available

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has moved the ratings for the bank facilities of Karnataka Power Corporation Limited to the 'Issuer Not Cooperating' category. The rating is denoted as [ICRA]BB (Stable) ISSUER NOT COOPERATING / [ICRA]A4; ISSUER NOT COOPERATING.

The ratings are based on limited cooperation from the entity since the time it was last rated in June 2024. As a part of its process and in accordance with its rating agreement with Karnataka Power Corporation Limited, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite cooperation and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, the company's rating has been moved to the 'Issuer Not-Cooperating' category. The rating action has been taken in accordance with ICRA's policy on non-cooperation by a rated entity available at [www.icra.in](http://www.icra.in).

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Power - Thermal</a> <a href="#">Policy in Respect of Non-Cooperation by a Rated Entity</a>
Parent/Group support	The assigned rating factors in the systemic importance that KPCL has in the state power sector, which ICRA expects should induce the GoK to extend financial support to the rated entity, should there be a need
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the company and its subsidiaries are mentioned in Annexure-II

## About the company

KPCL is the state-owned power generation company of the Government of Karnataka (GoK) with an operational power generating capacity of 8,738 MW, comprising hydel power generation capacity of 3,680 MW, thermal capacity of 5,020 MW and renewable capacity of 39 MW. The thermal generation capacity of the company also includes a 1,600-MW thermal power project under a JV with BHEL, namely Raichur Power Corporation Limited (RPCL). The company supplies power generated from its stations to the five-state owned distribution utilities in Karnataka under long-term power purchase agreements (PPAs).

## Key financial indicators (audited)

KPCL Consolidated	FY2023	FY2024
Operating income	9,420.9	13,026.8
PAT	277.1	1030.2
OPBDIT/OI (%)	20.2%	28.8%
PAT/OI (%)	2.9%	7.9%
Total outside liabilities/Tangible net worth (times)	5.3	7.1
Total debt/OPBDIT (times)	17.0	9.2
Interest coverage (times)	0.6	1.1

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 (FY2025)		Chronology of rating history for the past 3 years						
		Amount Rated (Rs. crore)	FY2025		FY2024		FY2023		FY2022	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	19,922.62	Mar-24-25	[ICRA]BB (Stable) ISSUER NOT COOPERATING*	Mar-20-24	[ICRA]BB (Stable)	Mar-21-23	[ICRA]BB (Stable)	Dec-27-21	[ICRA]BB (Stable)
			Jun-25-24	[ICRA]BB (Stable)						
Cash credit	Long term	978.50	Mar-24-25	[ICRA]BB (Stable) ISSUER NOT COOPERATING*	Mar-20-24	[ICRA]BB (Stable)	Mar-21-23	[ICRA]BB (Stable)	Dec-27-21	[ICRA]BB (Stable)
			Jun-25-24	[ICRA]BB (Stable)						
Non-fund based	Long term	194.00	Mar-24-25	[ICRA]BB (Stable) ISSUER NOT COOPERATING*	Mar-20-24	[ICRA]BB (Stable)	Mar-21-23	[ICRA]BB (Stable)	Dec-27-21	[ICRA]BB (Stable)
			Jun-25-24	[ICRA]BB (Stable)						
Term loans	Short Term	13,407.00	Mar-24-25	[ICRA]A4 ISSUER NOT COOPERATING*	Mar-20-24	[ICRA]A4	Mar-21-23	[ICRA]A4	Dec-27-21	[ICRA]A4

\* Issuer did not cooperate; based on best information available

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term – Fund-based - Term loan	Simple
Long term – Fund-based - Cash credit	Simple
Long term – Non-fund based	Very Simple
Short term – Fund-based - Short- 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, is 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
NA	Long-term fund-based TL	FY2018	-	FY2030	9,268.71	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Long-term fund-based TL	FY2017	-	FY2030	5,438.34	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Long-term fund-based TL	FY2022	-	FY2027	1,436.66	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Long Term Fund-based TL	FY2022	-	FY2025	266.56	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Long Term Fund-based TL	FY2024	-	FY2029	1000.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Long Term Fund-based TL	FY2024	-	FY2027	1500.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Long Term Fund-based TL	FY2024	-	FY2026	250.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Long Term Fund-based TL	FY2024	-	FY2029	250.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Long Term Fund-based TL*	-	-	-	512.35	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Long Term Fund-based CC	-	-	-	978.50	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Long term – Non-fund based	-	-	-	194.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING*
NA	Short Term Loans				13407.00	[ICRA]A4; ISSUER NOT COOPERATING*

Source: Company; \*proposed

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

**Annexure-II: List of entities considered for consolidated analysis**

Company Name	SRV Ownership	Consolidation Approach
Raichur Power Corporation Limited	77.86%	Equity Method
KPC Gas Power Corporation Limited	100.00%	Full Consolidation

Source: Company

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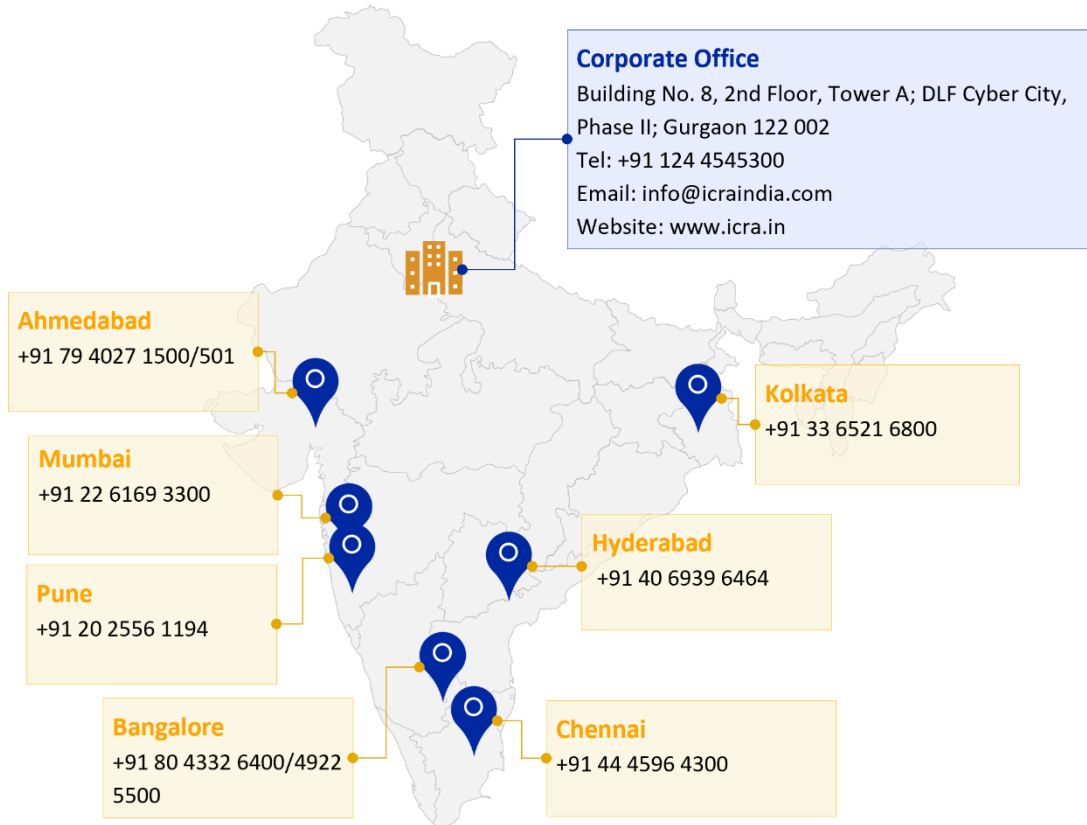
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