June 16, 2026

WRSS XXI (A) Transco Limited: Rating reaffirmed; reaffirmed and withdrawn for proposed NCD

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture	632.00	632.00	[ICRA]AAA (Stable); reaffirmed
Proposed non-convertible debenture	3.00	-	[ICRA]AAA (Stable); reaffirmed and withdrawn
Total	**635.00**	**632.00**	

**Instrument details are provided in Annexure II*

Rationale

The rating reaffirmation for WRSS XXI (A) Transco Limited (WRSS) factors in the satisfactory operational track record of its power transmission project with the line availability remaining above the normative level since commissioning in October 2022. WRSS has executed an inter-state transmission system (ISTS) project comprising approximately 292.2 ckt km of 765 kV D/C line (214.94ckt km) and a 400kV D/C (triple) line (77.3ckt km) along with a 2x1500MVA, 765/400kV substation at Lakadia and two 765kV bays at Bhuj substation. This project was constructed to establish a transmission system for renewable energy (RE) generation at Bhuj–II, Dwarka and Lakadia in Gujarat. The transmission line is being used to evacuate power to the Lakadia pooling station and Bhachau substation. The operational track record of the project is more than three years.

ICRA notes that the company has also successfully concluded the augmentation of transformation capacity at 765/400 kV Lakadia S/s (WRSS XXI(A) Transco Ltd) in Gujarat – Part A, under the regulated tariff mechanism mode, in February 2026, with the final tariff order pending.

The rating factors in the assured offtake for WRSS's power transmission project by virtue of a long-term (35 years) transmission service agreement (TSA) with availability-linked payments signed with long-term transmission customers (LTTC). Further, the project, being a part of the inter-state transmission system (ISTS), is expected to benefit from the payment security available under the pooling mechanism managed by the Central Transmission Utility of India Limited {CTUIL; subsidiary of Power Grid Corporation of India Limited (PGCIL)}. The CTUIL is responsible for 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 for the bills raised are being realised in a timely manner.

The total project cost stood at ~Rs. 1,017 crore, which was slightly higher than the initial estimate due to cost escalations arising from delays caused by the Covid-19 pandemic and change-in-law events. These factors also delayed the commissioning of the project, which took place in October 2022, against the scheduled commercial operation date (SCOD) of December 2020. In this regard, the company has claimed an increase in costs from the LTTCs due to force majeure events, 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, citing loss of revenue, higher interest during construction (IDC), price variation paid to engineering, procurement and construction (EPC) contractors and commodity price fluctuations arising from the pandemic. In addition, the company has submitted claims under change-in-law, primarily due to an increase in the compensation payable to the landowners following a revision in the valuation of land under the transmission tower and right of way (RoW) corridor, as well as higher crop compensation. These claims have been submitted to the CERC through a petition, which is currently under review, with the final order awaited.

In 2025, the company completed the refinancing of its external commercial borrowing (ECB) loan, which had an outstanding balance of Rs. 740.82 crore as on March 31, 2025, and was scheduled for repayment in October 2025. The company issued two NCD tranches of Rs. 532.00 crore and Rs. 100.00 crore, aggregating to Rs. 632.00 crore, in July 2025, thereby completing the refinancing exercise. The NCD issuance was undertaken at a competitive coupon rate of 7.70%–7.84%, compared to the higher ECB interest rate earlier, resulting in an improvement in the project's coverage metrics. The terms of the NCDs include a put option at the end of five years from the first disbursement and every year thereafter. In addition, the lenders have the right to ask the company to repay the loan in case the credit rating falls below A+. While this exposes 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. Going forward, the company's debt coverage metrics are expected to remain satisfactory, with the cumulative DSCR on the external project debt estimated at ~1.30x over the debt tenure, without factoring in the amount claimed under change-in-law and force majeure events. The promoter contribution for the project is in the form of equity and unsecured loans from the parent, and the unsecured loans are subordinated to the NCD debt.

The ratings continue to factor in the established track record of its sponsor - Adani Energy Solutions Limited (AESL; rated [ICRA]AA+ (Stable)/[ICRA]A1+) - in implementing and operating power transmission projects. AESL is the holding company for the transmission and distribution business of the Adani Group and holds a 100% stake in WRSS. As on March 31, 2026, AESL had a portfolio of 47 transmission projects (including 12 lines under construction – excluding 16 augmentation projects and transmission network of Mumbai & Mundra distribution businesses), Adani Electricity Mumbai Limited's (AEML) transmission and distribution (TD) business in Mumbai and distribution business in Mundra SEZ, with presence in 14 states. Its network includes transmission lines with a total length of 27,949 ckm (as on March 31, 2026), making it the largest privately operating transmission line company in India.

The rating is, however, constrained by 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 Stable outlook on the long-term rating of WRSS 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.

ICRA has reaffirmed and withdrawn the rating assigned to the unplaced non-convertible debenture (NCD) of Rs. 3.00 crore, at the company's request, in accordance with ICRA's policy on withdrawal.

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 WRSS. 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 is eligible to receive incentives for availability above the normative level.

Strong payment security from being part of ISTS pool - The transmission project under WRSS 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 with availability remaining above normative level - Since its commissioning in October 2022, the project has reported a healthy operational performance with the line availability remaining above the normative level of 98% prescribed under the TSA. The average line availability in the first year of operations, i.e. 6M FY2023, stood at

99.87%. The line availability of the project further improved to 99.95% in FY2024 and remained robust at 99.92% in FY2025 and 99.89% in FY2026.

Debt coverage metrics expected to remain comfortable - The debt coverage metrics of the project are expected to be comfortable, with the cumulative DSCR likely to remain at ~1.30x, 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 - WRSS is promoted by AESL, which is the holding company for the transmission and distribution business of the Adani Group and holds a 100% stake in WRSS. The project will continue to benefit from the established track record of the Adani Group in executing and operating power transmission projects in India.

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 WRSS's profitability will remain exposed to variations in O&M expenses, such expenses form a small proportion of the revenue, partially mitigating the risk. Further, the sponsor's experience in the power transmission business should ensure adequate resource allocation and cost-efficient execution of O&M activity.

Refinancing risks - The company's debt coverage metrics remain exposed to refinancing risk as the terms of the NCDs include a put option at the end of five years from the first disbursement and every year thereafter. In addition, the lenders have the right to ask for mandatory prepayment in case the credit rating falls below A+. Nonetheless, comfort can be drawn from the long residual TSA tenure and the high certainty of cash flows for power transmission projects.

Liquidity position: Adequate

WRSS's liquidity profile is expected to remain adequate with a significant buffer between the cash flows from the project and debt servicing obligations, supported by satisfactory line availability and timely realisation of payments. Additionally, comfort is derived from the presence of a debt service reserve (DSRA) equivalent to two quarters of debt servicing for the NCD programme. As on March 31, 2026, the company had free cash and bank balances of Rs. 4.10 crore, mutual fund investments of Rs. 7.83 crore and a DSRA balance of Rs. 63.85 crore.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Pressure on the rating could arise if lower-than-targeted line availability or increased expenses result in a deterioration of the projected 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. Also, an increase in the indebtedness adversely impacting the debt coverage metrics could trigger a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power Transmission Policy On Withdrawal Of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

About the company

WRSS is a 100% subsidiary of Adani Energy Solutions Limited {AESL; rated [ICRA]A1+}. WRSS has executed an inter-state transmission system (ISTS) project comprising approximately 292.2 ckt km of 765 kV D/C line (214.94ckt kms) and 400kV D/C (triple) line (77.3ckt kms) along with a 2x1500MVA, 765/400kV substation at Lakadia and two 765kV bays at Bhuj substation. This project was constructed to establish a transmission system for RE generation at Bhuj–II, Dwarka and Lakadia in Gujarat. The transmission line is being used to evacuate power to the Lakadia pooling station and Bhachau substation.

On April 23, 2019, the company executed the TSA with the LTTCs – Adani Green Energy (MP) Ltd, Adani Green Energy Ltd, and Netra Wind Pvt Ltd. This transmission system will provide transmission services to the LTTCs for a period of 35 years. The transmission line became operational in October 2022. The company is also augmenting the transformation capacity at 765/400 kV Lakadia S/s (WRSS XXI(A) Transco Ltd) in Gujarat – Part A, under the regulated tariff mechanism mode.

Key financial indicators (audited)

WRSS – Standalone	FY2025	FY2026
Operating income	130.2	149.8
PAT	-35.9	-1.2
OPBDIT/OI	96.4%	96.0%
PAT/OI	-27.6%	-0.8%
Total outside liabilities/Tangible net worth (times)	-32.9	-28.0
Total debt/OPBDIT (times)	12.1	8.9
Interest coverage (times)	0.7	1.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: 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					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	June 16, 2026	Date	Rating	Date	Rating	Date	Rating
Non-convertible debenture	Long-term	632.00	[ICRA]AAA (Stable)	Jun 26, 2025	[ICRA]AAA (Stable)	-	-	-	-
Proposed non-convertible debenture	Long-term	3.00	[ICRA]AAA (Stable); reaffirmed and withdrawn	Jun 26, 2025	[ICRA]AAA (Stable)	-	-	-	-

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

ICRA-rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) 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 Mutal 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
Non-convertible debenture	Simple
Proposed non-convertible debenture	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
INE0BJR08018	**Non-convertible debenture**	Jul 08, 2025	7.70%	Mar 31, 2043	532.00	[ICRA]AAA (Stable)
INE0BJR08026	**Non-convertible debenture**	Jul 08, 2025	7.84%	Sep 30, 2044	100.00	[ICRA]AAA (Stable)
Unplaced^	**Non-convertible debenture**	-	-	-	3.00	[ICRA]AAA (Stable); reaffirmed and withdrawn

Source: Company; ^ ICRA has reaffirmed and withdrawn the rating assigned to the unplaced non-convertible debenture (NCD) of Rs. 3.00 crore, at the company's request, in accordance with ICRA's policy on withdrawal.

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

ANALYST CONTACTS

Girishkumar Kadam
+91 22 6114 3406
girishkumar@icraindia.com

Ankit Jain
+91 12 4454 5865
ankit.jain@icraindia.com

Rachit Mehta
+91 22 6169 3328
rachit.mehta2@icraindia.com

Ayush Goel
+91 22 6169 3357
ayush.goel@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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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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For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches