

August 19, 2026

CESC Limited: Update on material event

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding	Financial Sector Regulator [#]
Commercial Paper (CP)	2,200.00	2,200.00	[ICRA]A1+	RBI
Proposed Non-Convertible Debenture	500.00	200.00	[ICRA]AA (Stable)	MCA
Non-Convertible Debenture	0.00	300.00	[ICRA]AA (Stable)	MCA
Total	2,700.00	2,700.00		

*Instrument details are provided in Annexure I

[#]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.

Rationale

Material Event

On August 10, 2026, CESC Limited (CESC) informed the stock exchanges that Purvah Green Power Private Limited, a subsidiary of CESC, has entered into a Share Purchase Agreement (SPA) for the acquisition of 100% equity stake in ReNew Hans Urja Private Limited, ReNew Solar Photovoltaic Private Limited, ReNew Wind Energy (Karnataka 3) Private Limited, ReNew Wind Energy (MP Four) Private Limited, ReNew Wind Energy (Karnataka 4) Private Limited, ReNew Agni Power Private Limited from ReNew Solar Power Private Limited. The acquisition, comprising an operational renewable energy portfolio of 1.4 GWp, has been announced at an enterprise value of Rs. 4,859 crore (excluding contingent payment of estimated INR 230 crores, payable only on additional realisation of change in law claim). The upfront cash consideration is estimated at around Rs 1582 crore, with the balance representing the debt of the acquired SPVs, which would be subsumed as part of the transaction. The final equity consideration payable remains subject to customary adjustments for debt, cash and other agreed items as stipulated in the SPA. The transaction is expected to be completed before October 31, 2026.

Impact of the Material Event

The proposed acquisition is expected to materially scale up CESC's renewable energy portfolio. Upon completion of the transaction, the company's contracted renewable energy portfolio is expected to increase to 4.5 GWp, and the operational capacity within the overall renewable portfolio will increase to around 1.8 GWp from 0.4 GWp. Of the 1.4 GWp portfolio being acquired, around 1.31 GWp are solar based located in the state of Rajasthan and the balance 0.10 GWp comprises wind based located in the state of Karnataka. ICRA notes that the acquired portfolio benefits from the long-term power purchase agreements (PPAs) at fixed tariffs for the entire capacity, supporting revenue visibility and limiting exposure to merchant power-price volatility. Around 90% of the capacity is tied up with Solar Energy Corporation of India (SECI), which has a strong counterparty profile while the balance is tied up with state distribution utilities like BESCOM and HESCOM. The fully operational status of the acquired portfolio coupled with long-term nature of the PPAs and a favourable counterparty profile provide revenue visibility for the portfolio from the outset. The transaction is also expected to accelerate the company's growth strategy through the addition of an established renewable energy platform compared to the relatively longer gestation associated with organic capacity addition. Also, CESC's healthy liquidity position, with cash/bank and liquid investments of

around Rs. 5,649 crore as on 31st March 2026, provides comfort towards funding the upfront cash consideration. While the transaction will lead to an increase in the Net leverage of the company, ICRA expects the same to moderate in the subsequent years, supported by cash flows generation from the commissioning of CESC's organic renewable energy capacity currently under implementation leading to an increase in the operating profits and thus supporting the credit metrics of the company.

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](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and wind Power - Thermal Power - Distribution
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of CESC Limited.

About the company

CESC, incorporated in 1978, is the flagship company of the RP-Sanjiv Goenka Group and is involved in the generation and distribution of electricity. CESC has the licence to supply electricity in Kolkata and Howrah till September 2, 2038. The licensee area is of 567 sq. km and it caters to over 3.6 million consumers with an own generation capacity of 885 MW (coal based). CESC has two wholly-owned subsidiaries, HEL and DIL, each operating 2x300-MW coal-based thermal power plants. The entire generation capacity of HEL is tied up under a long-term cost-plus based PPA with CESC. For DIL's generation capacity, 50% has been tied up under a long-term PPA, and the balance caters to the short-term & medium-term demand.

The company has 18-MW solar power assets and a 40-MW coal washery rejects-based thermal power plant under its subsidiary, Crescent Power Limited. In the power distribution segment, apart from Kolkata, CESC through its subsidiary, i.e., Noida Power Company Limited (NPCL), has the licence to supply electricity in the Greater Noida area in Uttar Pradesh. Besides the licensee power distribution business, CESC is gradually increasing its footprint in the power distribution franchise businesses. In FY2017, it took over the distribution franchise operations at Kota, Bharatpur and Bikaner in Rajasthan. In March 2020, CESC took over the power distribution franchise operations in Malegaon, Maharashtra.

Key financial indicators (audited)

Consolidated	FY2025	FY2026
Operating income	18,250.4	19,472.9
PAT	1,428.9	1,617.5
OPBDIT/OI	22.5%	23.2%
PAT/OI	7.8%	8.3%
Total outside liabilities/Tangible net worth (times)	2.3	2.5
Total debt/OPBDIT (times)	4.4	4.8
Interest coverage (times)	2.8	3.0

Source: Company, ICRA Research; 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

Current (FY2027)					Chronology of rating history for the past 3 years					
FY2027					FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Commercial Paper (CP)	Short-term	2,200.00	Aug 19, 2026	[ICRA]A1+	Jun 30, 2025	[ICRA]A1+	Jul 29, 2024	[ICRA]A1+	Jul 31, 2023	[ICRA]A1+
					Jul 21, 2025	[ICRA]A1+	-	-	-	-
					Sep,08, 2025	[ICRA]A1+	-	-	-	-
Proposed Non-Convertible Debenture	Long-term	200.00	Aug 19, 2026	[ICRA]AA (Stable)	Jun 30, 2025	[ICRA]AA (Stable)	-	-	-	-
					Jul 21, 2025	[ICRA]AA (Stable)	-	-	-	-
					Sep,08, 2025	[ICRA]AA (Stable)	-	-	-	-
Non-Convertible Debenture	Long-term	300.00	Aug 19, 2026	[ICRA]AA (Stable)	Sep,08, 2025	[ICRA]AA (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial Paper (CP)	Simple
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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator [#]
INE486A14GC9	Commercial Paper	18-Jun-26	-	17-Sep-26	250.00	[ICRA]A1+	RBI
INE486A14GD7	Commercial Paper	19-Jun-26	-	18-Sep-26	200.00	[ICRA]A1+	RBI
INE486A14GE5	Commercial Paper	25-Jun-26	-	23-Sep-26	150.00	[ICRA]A1+	RBI
INE486A14GF2	Commercial Paper	09-Jul-26	-	31-Aug-26	300.00	[ICRA]A1+	RBI
INE486A14GG0	Commercial Paper	13-Aug-26	-	12-Nov-26	200.00	[ICRA]A1+	RBI
Not placed	Commercial Paper	-	-	-	1100.00	[ICRA]A1+	RBI
INE486A07358	Non-Convertible Debenture	26-Sep-25	7.51%^	26-Sep-28	300.00	[ICRA]AA (stable)	MCA
Not placed	Proposed Non-Convertible Debenture	-	-	-	200.00	[ICRA]AA (stable)	MCA

Source: Company; ^Linked to 3M T-Bill

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Annexure II: List of entities considered for consolidated analysis

Company name	Ownership (%)	Consolidation approach
Haldia Energy Limited	100.00%	Full consolidation
Dhariwal Infrastructure Limited	100.00%	Full consolidation
Crescent Power Limited (CPL)	67.83%	Full consolidation
Kata Electricity Distribution Limited	100.00%	Full consolidation
Bikaner Electricity Supply Limited	100.00%	Full consolidation
Bharatpur Electricity Services Limited	100.00%	Full consolidation
Malegaon Power Supply Limited	100.00%	Full consolidation
Santai Singapore Pte. Ltd.	100.00%	Full consolidation
CESC Projects Limited	100.00%	Full consolidation
Pachi Hydropower Projects Limited	100.00%	Full consolidation
Papu Hydropower Projects Limited	100.00%	Full consolidation
Jarong Hydro-Electric Power Company Limited	100.00%	Full consolidation
Ranchi Power Distribution Company Limited	100.00%	Full consolidation
Au Bon Pain Cafe India Limited	93.10%	Full consolidation
Jharkhand Electric Company Limited	100.00%	Full consolidation
CESC Green Power Limited	100.00%	Full consolidation
Eminent Electricity Distribution Limited (EEDL)	100.00%	Full consolidation
Noida Power Company Limited	72.73%	Full consolidation
Purvah Green Power Private Limited (PGPPL)	67.83%	Full consolidation
ANP Renewables Private Limited	100.00%	Full consolidation
Purvah Hybrid Power Private Limited	100.00%	Full consolidation
Purvah Renewable Power Private Limited	100.00%	Full consolidation
MFA Renewables Private Limited	100.00%	Full consolidation
HRP Green Power Private Limited	100.00%	Full consolidation
SHN Green Power Private Limited	100.00%	Full consolidation

Bhadla Three SKP Green Ventures Private Limited	100.00%	Full consolidation
Vitalgreen Power Private Limited	100.00%	Full consolidation
Ecovantage Enen:w Private Limited	100.00%	Full consolidation
Ecofusion Power Private Limited	100.00%	Full consolidation
Brightfuture Power Private Limited	100.00%	Full consolidation
Greenpulse Power Private Limited	100.00%	Full consolidation
Redgaint Renewable Power Energy Private Limited	100.00%	Full consolidation
DRP Renewable Private Limited	100.00%	Full consolidation
LKP Renewable Private Limited	100.00%	Full consolidation
SKG Renewable Private Limited	100.00%	Full consolidation
KUS Renewable Private Limited	100.00%	Full consolidation
Citylights Renewable Private Limited	100.00%	Full consolidation
JSK Renewable Private Limited	100.00%	Full consolidation
Deshraj Solar Energy Private Limited (DSEPL)	100.00%	Full consolidation
Mazzi Power Projects Private Limited	100.00%	Full consolidation
Bhojraj Renewables Energy Private Limited	100.00%	Full consolidation
Chandigarh Power Distribution Limited	100.00%	Full consolidation
Mahuagarhi Coal Company Private Limited	50.00%	Equity method

ANALYST CONTACTS

Girishkumar Kadam

+91 22 6114 3441

girishkumar@icraindia.com

Ankit Jain

+91 124 4545 865

ankit.jain@icraindia.com

Sumit Jhunjunwala

+91 33 6521 6814

sumit.jhunjunwala@icraindia.com

Deepayan Ghosh

+91 33 6521 6804

deepayan.ghosh@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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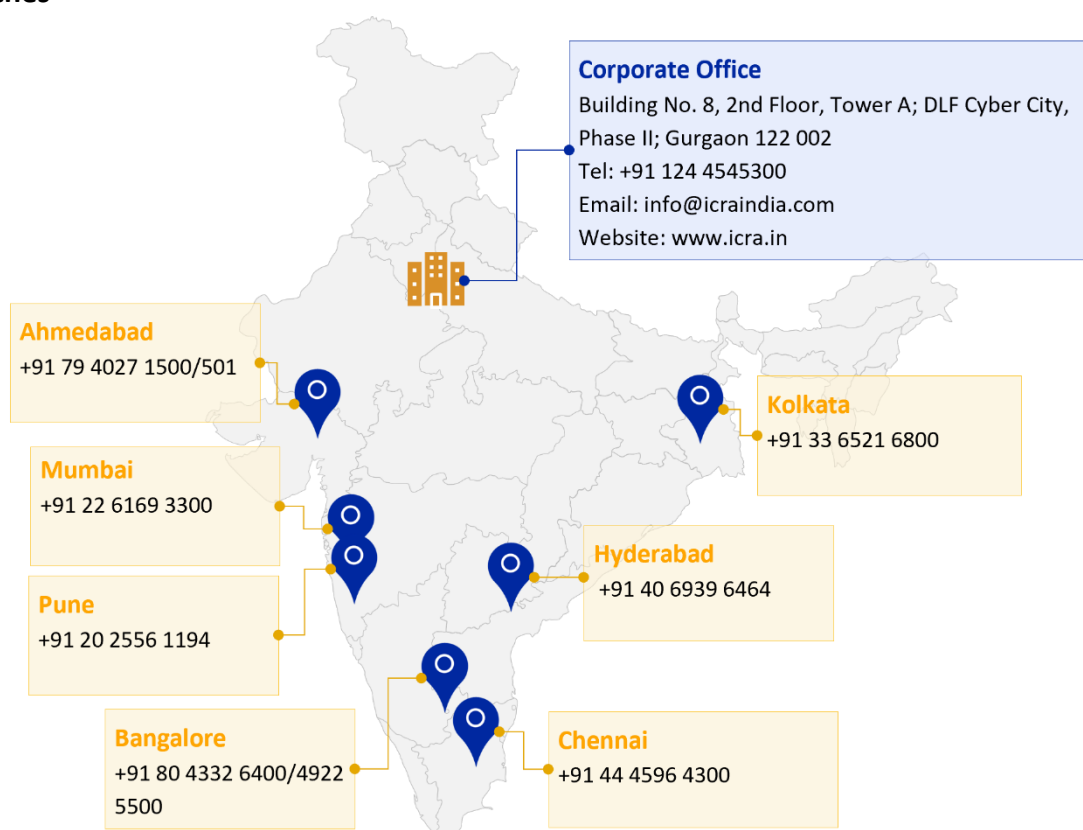
Registered Office

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

Tel: +91 11 23357940-45



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