

September 16, 2026

PTC India Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator [#]
Issuer rating	-	-	[ICRA]AA (Stable); reaffirmed	-@
Short term – Fund based facilities	2,000.00	2,000.00	[ICRA]A1+; reaffirmed	RBI
Short term - Non-fund based facilities	3,500.00	4,500.00	[ICRA]A1+; reaffirmed and assigned for enhanced amount	RBI
Commercial paper[^]	300.00	300.00	[ICRA]A1+; reaffirmed	RBI
Total	5,800.00	6,800.00		

*Instrument details are provided in Annexure I;

[#]The Securities and Exchange Board of India's (SEBI) grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SEBI Complaint Redress System (SCORES) and Online Dispute Resolution (ODR) shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators (FSRs) other than SEBI

@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

Rationale

The reaffirmation of the ratings favourably factors in the continued market leadership position of PTC India Limited (PTC) in the domestic bilateral power trading market, its diversified trading portfolio, the stable trading margins and a strong financial profile. PTC remains the largest bilateral power trader in India and continues to benefit from its significant presence across long-term traded (LTT), medium-term traded (MTT), cross-border trade (CBT) and short-term traded (STT) segments. The traded volumes increased by 12.1% year-on-year (YoY) to 92.8 BUs in FY2026 from 82.8 BUs in FY2025 and further increased by 12% YoY in Q1 FY2027, driven by growth in exchange-based and short-term transactions.

The LTT, MTT and CBT segments together accounted for ~38% of the traded volumes in FY2026 and contribute ~84% to the traded margins, reflecting their relatively higher profitability. In comparison, the short-term traded (STT) segment accounted for ~62% of the traded volumes but contributed ~16% to the traded margins in FY2026. ICRA takes note of the shift in volumes towards short-term trades in recent years on account of healthy demand from the merchant/short-term markets. Despite the increasing contribution from the lower-margin short-term trades, the company has maintained stable average trading margins of around 3.35 paise per unit, reflecting the continued contribution from the higher-margin long-term and cross-border contracts.

The ratings continue to derive strength from the stability of PTC's long-term contracted portfolio. The company has a contracted portfolio of 9,328 MW, including long-term medium-term and cross-border arrangements. The absence of any major long-term contract expiry over the next three years provides visibility to the earnings and cash flows. Further, PTC is participating in bids for new medium-term contracts. Also, the company endeavours to participate in various projects in the renewable segment which will aid its growth in the future.

The ratings also take into account the company's demonstrated ability to manage contractual and operational risks inherent in the power trading business. Majority of PTC's long-term and medium-term contracts are structured on a back-to-back basis, with matching provisions relating to payment terms, rebates, surcharge mechanisms, termination liabilities and security

arrangements. The long operating track record of the company, along with its established relationships with state utilities and developers and the prudent monitoring of receivables, provides comfort regarding its ability to manage these risks. Further, most long-term projects have been operational for several years, reducing commissioning and execution-related uncertainties.

The ratings continue to derive comfort from PTC's very strong liquidity profile, low leverage and the asset-light nature of its power trading business, which entails limited capital expenditure requirements. The company maintained cash and liquid investments of approximately Rs. 2,246.7 crore as on August 19, 2026, with no long-term debt outstanding, and remains effectively net debt-free. PTC follows a conservative capital allocation strategy, with future investments expected to be selective and strategically aligned with its core trading operations, including opportunities in renewable energy, battery storage and the proposed joint venture with NLC India, without a materially increasing leverage. Supported by healthy cash balances, substantial liquidity buffers, unutilised bank lines and strong operating cash flow generation, the company's liquidity profile is expected to remain comfortable and adequately support its working capital requirements, absorb temporary receivable-led cash flow mismatches and fund its growth initiatives while maintaining a prudent capital structure.

The above strengths are partly offset by the company's continued exposure to counterparty credit risks arising from its offtakers, which primarily comprise state distribution utilities. The company has signed power purchase arrangements aggregating around 1,200 MW, wherein contracted capacity is yet to be tied up with end customers, which could increase its open position exposure and subject earnings to market and price risks until corresponding offtake arrangements are secured.

Although the payment discipline of the utilities has improved considerably following the implementation of the Late Payment Surcharge Rules, PTC remains exposed to timing mismatches between payments to the generators and collections from the utilities. However, the collections have improved in recent years, with the debtor days reducing to 44 days in FY2026 from 51 days in FY2025 and 81 days in FY2021. The risk is further mitigated by the company's strong liquidity position, diversified counterparty profile and the fact that a significant portion of the ageing receivables pertains to back-to-back transactions where corresponding payables exist.

ICRA also notes the moderation in profitability from the historically elevated levels because of a decline in the absolute trading margins due to the increasing share of the STT segment, lower rebate and LPS income. The surcharge income declined to Rs. 104.5 crore in FY2026 from Rs. 267.7 crore in FY2025 as the payment discipline among the utilities improved. While this has brought down the ancillary income and moderated the reported profitability, it has improved the receivable quality, lowered the working capital intensity and reduced the counterparty payment risk. Consequently, the earnings are expected to be increasingly driven by core trading margins and volume growth rather than surcharge-related income.

ICRA has considered the standalone financial profile of PTC while arriving at the ratings. PTC India Financial Services Limited (PFS) has been excluded from the rating assessment to distinguish the trading business from the financial services business. PTC has not extended any material financial support to PFS and the management has reiterated its intention to monetise its stake in PFS over the medium term. Nevertheless, any extraordinary financial support to PFS that materially affects PTC's liquidity or financial profile will remain a key monitorable.

The Stable outlook on PTC's rating reflects ICRA's opinion that the company will continue to maintain its strong market position in the power trading sector, supported by a diversified trading portfolio and a healthy liquidity profile.

Key rating drivers and their description

Credit strengths

Dominant share in power trading market in India – PTC is the one of the largest players in the Indian power trading market. The company is likely to maintain its dominant market position despite rising competition. PTC benefits from its significant presence in the LTT and MTT segments, which helps to cushion the fluctuations in short-term volumes and margins.

Stable trading margins in LTT/CBTs – PTC has a strong portfolio of long-term power trading contracts, supported by back-to-back PPAs with developers and PSAs with discoms. The LTT, CBT and MTT segments contributed nearly 84% to the gross

margins in FY2026, providing stability against the lower-margin and more volatile short-term trading business. Despite the increasing share of short-term volumes, the company maintained stable average trading margins of around 3.35 paise per unit, supported by the continued contribution from long-term and cross-border contracts. The late payment surcharge (LPS) income moderated to Rs. 104.5 crore in FY2026 from Rs. 267.7 crore in FY2025 due to the improved payment discipline among discoms. While this has moderated the ancillary income, it reflects an improved receivable quality, lower working capital intensity and reduced counterparty payment risks, with the earnings increasingly driven by core trading margins and volume growth.

Effective management of contractual risks – PTC’s long-term, medium-term and cross-border trading businesses carry contractual risks on both the PPA and PSA fronts despite their relatively stable and attractive margins. The company has historically managed these risks through back-to-back contractual structures incorporating matching provisions relating to payment terms, rebate and surcharge mechanisms, termination liabilities, letters of credit, bank guarantees and other payment security arrangements. Supported by its long operating track record, established relationships with utilities and developers and prudent receivables monitoring systems, PTC has demonstrated its ability to effectively manage these contractual and operational risks. Most projects under the long-term portfolio have been operational for several years, further limiting the execution and commissioning related risks.

Low leverage, strong debt coverage metrics and healthy liquidity profile - PTC’s financial risk profile is characterised by negligible leverage, strong debt coverage metrics and a robust liquidity position. The company follows a conservative financial policy with no long-term debt and limited dependence on working capital borrowings. As on August 19, 2026, PTC maintained cash and liquid investments of Rs. 2,246.72 crore, while remaining effectively net debt-free following the monetisation of PTC Energy Limited. The strong liquidity position provides adequate financial flexibility to support working capital requirements as well as the proposed joint venture with NLC India Limited. While the company continues to pursue growth initiatives, any material increase in investment outlay, open-position exposure or reliance on debt funding will remain the key monitorables.

Credit challenges

Significant counterparty risks due to poor financial health of discoms – PTC is exposed to the counterparty credit risks of its offtakers — which are state power utilities that have weak to moderate credit profiles. The risk is mitigated to an extent by the diversified profile of its counterparties and the presence of contractual safeguards. Although the terms of the payment are back-to-back in both the PPAs and the PSAs, the company is obligated to make the payments to the developers even if the discoms delay their payments. The collections have remained satisfactory because of the improved payment discipline of the discoms over the past few years, aided by the implementation of the Late Payment Surcharge Rules since 2022.

Margins remain exposed to open positions – Although PTC’s current open-position exposure is limited, any material increase in the untied contracted capacity could expose the company to merchant market price volatility and profitability fluctuations. The extent of the open position exposure and the company’s ability to timely secure corresponding offtake arrangements will remain the key monitorables.

Environmental and social risks

Environmental considerations - PTC India Limited exhibits low environmental risks as it derives majority of its revenues from power trading and has low exposure towards the lack of availability of natural resources, the possibility of not meeting the desired emission norms and carbon transition risks.

Social considerations - PTC India Limited has low social risks as it is largely engaged in the business of power trading which involves the purchase and sale of power from the developers to the discoms.

Liquidity position: Strong

PTC’s liquidity position remains strong, supported by healthy cash flow from operations, sizeable cash and liquid investments of approximately Rs. 2,246.72 crore as on August 19, 2026 and negligible external debt. The company remains effectively net

debt-free following the divestment of PTC Energy Limited, which significantly strengthened its financial flexibility. The funding requirements associated with the planned investments, including the proposed NLC joint venture and other renewable energy initiatives, are expected to remain manageable because of their staggered nature. Moreover, the company continues to maintain substantial liquidity buffers to absorb temporary working capital shocks arising from fluctuations in receivables from state distribution utilities.

Rating sensitivities

Positive factors – The rating may be upgraded if the counterparty credit profile strengthens, particularly among state power utilities, thereby reducing the payment-related risks. A sustained improvement in trading volumes, led by growth in the long term and medium-term trading segments, would help improve the profits further and may favour an upgrade.

Negative factors – Pressure on PTC’s rating could arise if there is a significant build-up of net receivables for a prolonged period of time, increasing the leverage and weakening the liquidity profile. Further, a material decline in volumes from the LTT segment, which could adversely affect margin stability and revenue predictability, may weigh on the ratings. Extraordinary financial support to PFS, impacting PTC’s liquidity or debt coverage metrics, would be a key monitorable.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone; PTC India Financial Services Ltd (PFS) has been excluded to make a distinction between the trading and the financial services businesses

About the company

PTC India Limited was founded in 1999 to promote power trading in the country. The company’s promoters are Power Grid Corporation of India Limited (PGCIL), NTPC Limited (NTPC), Power Finance Corporation Limited (PFC) and NHPC Limited (NHPC). PTC has been the pioneer in developing and implementing power trading in India. At present, it is a category-I licence holder (defined as per CERC guidelines), which permits the highest volumes of trading. In FY2026, the volume of traded electricity stood at 92.8 billion units.

Over the years, PTC has diversified its service offering in the power sector by setting up an investment vehicle — PFS — for providing financial solutions in the energy value chain. In March 2025, PTC sold its 100% stake in PTC Energy Limited (PEL) having a wind power capacity of 288.8 MW to ONGC Green Limited for Rs. 1,175 crore.

Key financial indicators (audited)

	FY2025	FY2026	Q1 FY2027*
Operating income	34,961.6	36,852.8	13,300.9
PAT	854.8	397.0	70.7
OPBDITA/OI	1.5%	1.0%	0.4%
PAT/OI	2.4%	1.1%	0.5%
Total outside liabilities/Tangible net worth (times)	0.8	0.9	-
Total debt/OPBDITA (times)	0.2	0.0	-
Interest coverage (times)	19.7	45.8	6.76

Source: Company, ICRA Research; *Results; 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

Current rating (FY2027)				Chronology of rating history for the past 3 years					
FY2027				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs crore)	Sep 16, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based - Cash credit	Short term	2,000.00	[ICRA]A1+	May 28, 2025	[ICRA]A1+	May 31, 2024	[ICRA]A1+	May 31, 2023	[ICRA]A1+
				Sep 17, 2025	[ICRA]A1+	Jun 21, 2024	[ICRA]A1+	-	-
Non-fund based - Others	Short term	4,500.00	[ICRA]A1+	May 28, 2025	[ICRA]A1+	May 31, 2024	[ICRA]A1+	May 31, 2023	[ICRA]A1+
				Sep 17, 2025	[ICRA]A1+	Jun 21, 2024	[ICRA]A1+	-	-
Commercial paper	Short term	300.00	[ICRA]A1+	May 28, 2025	[ICRA]A1+	May 31, 2024	[ICRA]A1+	May 31, 2023	[ICRA]A1+
				Sep 17, 2025	[ICRA]A1+	Jun 21, 2024	[ICRA]A1+	-	-
Issuer rating	Long term	-	[ICRA]AA (Stable)	Sep 17, 2025	[ICRA]AA (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	Not Applicable
Commercial paper	Simple
Short term – Others - Non-fund based	Simple
Short term - Cash credit - Fund based	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 [#]
NA	Issuer rating	-	-	-	-	[ICRA]AA (Stable)	-@
NA	Fund based facilities	-	-	-	2,000.00	[ICRA]A1+	RBI
NA	Non-fund based facilities	-	-	-	4,500.00	[ICRA]A1+	RBI
NA	Commercial paper*	-	-	-	300.00	[ICRA]A1+	RBI

Source: Company; *Yet to be placed

@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

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

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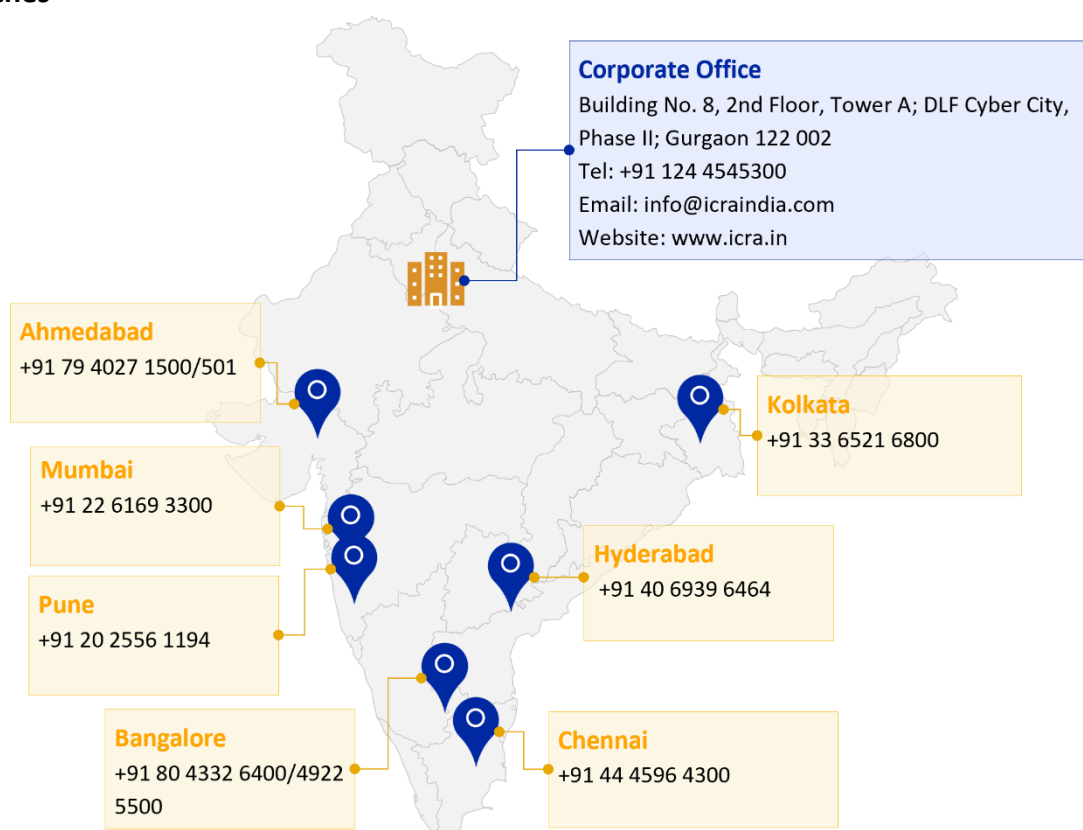
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