

February 05, 2026

To,
Corporate Relationship Department
BSE Limited,
14th Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai-400001
SCRIP CODE: 532779

To,
Listing Department
National Stock Exchange of India Limited
“Exchange Plaza”, C – 1, Block G
Bandra- Kurla Complex, Bandra (East),
Mumbai-400051
SYMBOL: TORNTPOWER

Dear Sir / Madam,

Sub: Intimation of Credit Rating

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the above, we hereby inform that India Ratings and Research vide its letter dated February 04, 2026 at 7:33 pm (IST) has assigned the long term credit rating of proposed non-convertible debentures of amounting to ₹ 2000 Crore and re-affirmed its rating on the long term credit rating of non-convertible debentures amounting to ₹ 1875 Crore to “**IND AA+/Stable**”. India Ratings and Research has also affirmed its rating on the short-term commercial paper as “**IND A1+**”.

The Rationale for the same as given by India Ratings and Research is attached herewith.

You are requested to take the same on records.

Thanking you.

Yours faithfully,
For Torrent Power Limited

Rahul Shah
Company Secretary & Compliance Officer
Encl.: As above

India Ratings Affirms Torrent Power’s NCDs ‘IND AA+’/Stable; Affirms CPs at ‘IND A1+’, Rates Additional NCDs

Feb 04, 2026 | Integrated Power Utilities

India Ratings and Research (Ind-Ra) has taken the following rating actions on Torrent Power Limited’s (TPL) debt instruments:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating assigned along with Outlook/Watch	Rating Action
Commercial paper	-	-	7-265 days	INR16.5	IND A1+	Affirmed
Non-convertible debenture*	-	-	-	INR18.75 (reduced from INR20.5)	IND AA+/Stable	Affirmed
Non-convertible debentures*	-	-	-	INR20	IND AA+/Stable	Assigned

*Details in Annexure

Analytical Approach

Ind-Ra continues to take a fully consolidated view of TPL and its subsidiaries while arriving at the ratings as all the entities operate in the same line of business, have strong operational and strategic linkages among them and a common management.

Detailed Rationale of the Rating Action

The ratings reflect: 1) regulated cost-plus model of its distribution licensee (DL) business and generation assets (Amgen, Sugen and Unosugen) which allows TPL to generate 14%-16% post-tax return on regulated equity; 2) strong operating performance of DL areas and distribution franchise (DF) areas, resulting in healthy EBITDA generation from its distribution business, contributing over 50% to the total EBITDA; and 3) healthy credit metrics with the net leverage declining to 1.6x during 1HFY26, supported by the increased EBITDA generation in the renewable energy segment, following the commissioning of a 544MW capacity during FY25.

The ratings also consider TPL's diversified under-construction book. As of 1HFY26, the company had about 3.6 GW of renewable energy projects in various stages of development with a total project cost of around INR244 billion. The company plans to fund the capex through a debt-to-equity ratio of up to 75:25. In addition to renewable energy project, the company has executed an energy storage facility agreement with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for developing and supplying 2.0 GW/16GWh pumped storage plant (PSP). The installed capacity of the project will be 3 GW which can be further increased to 4.2 GW by setting up an upper reservoir. The project will have an availability-based tolling tariff of INR8.5 million/MW with a tenor for 40 years. The project is likely to start operations

during FY29-FY30. Furthermore, TPL has won a bid to set up a coal-based thermal power plant in Madhya Pradesh with an installed capacity of 1.6 GW at a tariff of INR5.83 per kilo watt hour (kWh; comprising a fixed tariff of INR4.22/kWh recoverable on plant availability basis and variable costs as a full pass-through).

Madhya Pradesh Electricity Regulatory Commission (MPERC) has enacted the power purchase agreement (PPA) and TPL has acquired the required land. TPL looks to incur around INR220 billion capex to set up the plant, which will be funded through a debt-equity ratio of 75:25. Overall, Ind Ra estimates TPL to undertake capex of INR650 billion-700 billion till FY31-FY32, which is likely to be funded through a debt-equity mix of 75:25. With pump storage project and thermal project having long gestation period, capex will be phased manner. The gradual ramp up in accruals from operations, particularly from pipeline renewables project, is expected to support the equity contribution for its under-construction projects. Any significant time or cost overruns shall be a key rating monitorable.

List of Key Rating Drivers

Strengths

- EBITDA supported by regulated nature of operations
- Healthy operating performance of DL and DF areas
- DL and renewable capex to drive EBITDA in medium term
- Fuel and power purchase price adjustment (FPPPA) mechanism aids slower build-up of regulatory gap
- Healthy credit metrics, but leverage likely to elevate in view of large under-construction portfolio

Weaknesses

- High capex plan, but mitigated by the strong and experienced management
- Low plant load factor (PLF) of gas-based plants

Detailed Description of Key Rating Drivers

EBITDA Supported by Regulated Nature of Operations: TPL's operating profitability is supported by the regulated cost-plus model of its DL business (Ahmedabad, Gandhinagar, Surat, Dahej, Dholera, Dadra and Nagar Haveli and Daman and Diu) and the generation assets, including Amgen, Sugan and Unosugen (78% of gross capacity under the PPA with the distribution business and 3% with Madhya Pradesh), which allow TPL to generate a post-tax return of 14%-16% on regulated equity. The ratings also benefit from the timely tariff allowance by the Gujarat Electricity Regulatory Commission (GERC) and Joint Electricity Regulatory Commission (JERC), with the tariff true-up having completed in FY24 for DL region. This ensures a timely recovery of the tariff gaps and eliminates the risk of continued cash flow mismatches from the distribution business. The transmission and distribution (T&D) segment contributed 55%-60% to the EBITDA in FY25. The DL and generation assets (wherein 78% of gross capacity is under the PPA with own distribution business) are regulated in nature where the EBITDA generation is certain.

TPL's EBITDA remained almost stable at INR29.9 billion in 1HFY26 (1HFY25: INR30.7 billion; FY25: INR53.0 billion; FY24: INR45.6 billion; FY23: INR47.6 billion), on account of higher gains from merchant sales from gas-based plants (including liquified natural gas (LNG) trading). The net gains from merchant sales remained at about INR6.4 billion during 1HFY26 (1HFY25: INR6.7 billion; FY25: INR7.6 billion; FY24: INR3.3 billion; FY23: INR8.8 billion). The license for Ahmedabad and Gandhinagar was valid until November 2025. Ind-Ra notes that TPL's DL has been deemed automatically renewed by regulators for 25 years upon its expiry pursuant to the Electricity Amendment Rules, 2023. The license for Surat is valid until 2028, while that for Dahej is 2034, Dholera Special Investment Region (2043) and the Union Territory of Dadra and Nagar Haveli and Daman and Diu (2047).

Healthy Operating Performance of DL and DF Areas: The healthy EBITDA generation of TPL's T&D segment was enabled by healthy operating performance of its DL and DF areas. TPL's aggregate technical and commercial (AT&C) losses for the DL areas were low and below the normative levels, with Ahmedabad posing 5.04% in 1HFY26 (FY25: 3.33%; FY24: 4.2%; FY23: 3.7%), followed by Surat (3.57%; 2.81%; 2.77%; 3.17%); Dahej (0.52%; 0.40%; 0.38%; 0.48%) and Dadra and Nagar Haveli and Daman & Diu (DNH & DD; 1.65%; 1.46%; 1.58%; 1.59%).

TPL's DF areas' T&D losses are on a declining trend, with Bhiwandi posting 10.25% in 1HFY26 (FY25: 10.03%; FY24:

9.6%; FY23: 10.0%); Agra at 11.4% (8.6%; 9.2%; 9.5%); Shil, Mumbra and Kalwa (SMK) at 24.0% (28.0%; 30.0%; 33.5%). High T&D losses during 1HFY25 are seasonal in nature. Given the lower vintage of SMK, the T&D losses have remained high as the takeover by TPL. However, Ind-Ra expects the losses to narrow in line with the planned capex and SMK to turn profitable by end-FY26. TPL has registered healthy profitability across Bhiwandi and Agra, driven by healthy volume growth; tariff indexation coupled with a sharp reduction in the T&D loss. In the DF segment, after the expiry of the license validity, a clarity on the continuation of the DF license poses a risk to its EBITDA. The Bhiwandi DF license will expire in January 2027 while Agra license will expire in FY30. As per the provisions of the distribution franchisee agreement, the license validity for Bhiwandi area can be extended by five years upon mutual agreement.

DL and Renewable Capex to Drive EBITDA in Medium Term: Ind Ra expects TPL's EBITDA to increase substantially over the medium term. The group is expected to commission around 3.6GW of renewable capacity over the next two-to-three years which will increase EBITDA once operational. Furthermore, the increased capitalisation in the DL business of INR18 billion-20 billion and continued efficiency gains on normative parameters are likely to improve the EBITDA levels of the core DL business. Furthermore, the upcoming semiconductor ecosystem in Dholera Special Industrial Region along with the company's capex in the region will contribute to increasing its EBITDA. TPL incurs capex only after getting the approval by the regulator, largely mitigating the risk of disallowances and under-recoveries.

TPL operates a renewable energy portfolio of 1.9 GW as of 1HFY26 (FY25: 1.7 GW; FY24: 1.2 GW; FY23: 1.1 GW), with wind accounting for 0.92 GW and solar of 0.95 GW. In addition to the operational portfolio, the company has an under-construction portfolio of about 3.6 GW, including solar, wind and hybrid projects, which are likely to be commissioned in the next two-to-three years. The total project cost for the pipeline renewable projects is close to INR244 billion which would be funded through a debt-to-equity ratio of around 75:25. Almost the entire renewable project pipeline is contracted under long-term PPAs with healthy counterparty mix of Solar Energy Corporation of India Ltd. (SECI), Railway Electricity Management Company Limited (REMCL), own discoms, etc and EBITDA is expected to start accruing over FY27-FY28.

FPPPA Mechanism Aids Slower Build-up of Regulatory Gap: TPL's DL business is governed by the tariff regulations of GERC and JERC. Pursuant to the Electricity Amendment Rules, 2023 notified by the Ministry of Power (MOP), GERC and JERC have formulated a FPPPA mechanism, which allows an automatic recovery of FPPPA. During FY25, the DL business witnessed higher cost pressure on account of high short-term rates and increased coal (domestic and imported) prices, partially offset by a higher FPPPA allowed by the regulator. During FY23-FY25, the company experienced faster build-up of unbilled revenue on account of high-power purchase costs which has resulted in higher unbilled FPPPA and an increase in regulatory assets to INR33.2 billion at 1HFY26 (FY25: INR39.9 billion; FY24: INR36.7 billion; FY23: INR29 billion; FYE22: INR19 billion). Ind-Ra expects the regulatory assets to decline FY26 onwards, on account of a moderation in power costs (merchant prices and coal prices). Furthermore, from 1 April 2025, the MOP has allowed automatic passthrough of fuel and power procurement cost, restricting regulatory assets build-up due to power purchase cost and company has also been billing the same.

Healthy Credit Metrics, but Leverage likely to Elevate in View of Large Under-construction Portfolio: TPL's total gross debt stood at INR102.6 billion as of 1HFY26 (FY25: INR87.4 billion; FY24: INR115.9 billion; FY23: INR105.0 billion). Its consolidated net leverage (net debt/EBITDA) decreased to 1.6x (in the past 12 months) during 1HFY26 (1HFY25: 1.9x; FY25: 1.4x; FY24: 2.2x; FY23: 2.0 x), In view of the large debt-funded capex plans of the group, the interim leverage is likely to increase but stabilise to satisfactory levels due to a) assets becoming operational with accrual of full-year EBITDA and b) existing leverage is comfortable at 1.6x, providing balance sheet flexibility. Furthermore, the long-gestation projects, thermal power plant and PSP, could start adding significant debt FY27-FY28 onwards; however, they are also backed by contracted PPAs and execution agreements for the thermal plant. The interest coverage (EBITDA/interest expense) improved to 7.0x during 1HFY26 (1HFY25: 5.8x; FY25: 5.1x; FY24: 4.8 x; FY23: 5.8x).

High Capex Plan, but Mitigated by Strong and Experienced Management: TPL has a diversified under-construction portfolio which includes 1.6 GW coal based thermal power plant, 3 GW pump hydro project, and 3.6 GW renewable energy portfolio. During 2QFY26, TPL won a bid to set up 1.6GW coal-based thermal power plant in Madhya Pradesh, which was contracted with Madhya Pradesh Power Management Company Limited (MPPMCL) with an initial tariff rate of INR5.83/kWh (comprising fixed tariff of Rs. 4.22/unit recoverable on plant availability basis and variable cost as full pass thru). Ind-Ra understands from the management that the contracts for boiler, turbine and generator and balance of works

have been signed, and construction will begin from 1QFY27 for around six years and PPA has also been enacted by Madhya Pradesh Electricity Regulatory Commission. The estimated capex to be incurred for setting up the thermal plant is around INR220 billion which will be funded in a debt-to-equity ratio of 75:25. Under the PPA terms, the coal availability will be arranged by MPPMCL from Coal India Limited under the Shakti Policy of Ministry of Coal.

The company has identified a pump hydro project sites with potential capacity of 8.4 GW in states of Maharashtra and Uttar Pradesh. Of this, TPL is setting up a 3GW pump storage hydro project in Maharashtra; out of which, 2GW has been contracted with MSEDCL for supplying 2.0 GW/16 GWh for 40 years by incurring a capex amount of INR140 billion with a scheduled commissioning of October 2028. Ind Ra understands from the management that the capacity can be further increased to 4.2GW in future by constructing an upper reservoir. TPL also has an under-construction portfolio of renewable energy of around 3.6 GW at various stages of development with a total project capex of INR 244 billion to be commissioned in the next two-to-three years.

While the entity is undertaking multi-fold capex, Ind-Ra draws comfort from the rich experience of the management in managing multiple DFs and DLs, existing renewable portfolio of 1.9GW, lower terrain risk for the pumped hydro plant and presence of reputed contractors for the thermal and PSP plants. Furthermore, the low leverage of the existing balance sheet provides comfort to absorb the risks of a large under-construction portfolio.

Low PLF of Gas-based Plants: TPL's generation from gas-based plants continue to be low, given the high gas prices and lack of PPA for DGEN (1,200MW). The company has PPA tied-up capacity of 1.1GW, for which 5 million metric standard cubic meters per day (mmscmd) of gas is required at a plant load factor of 85%. The company has gas tie-up for around 80% of the requirement from long-term sources linked to crude slope. To ensure the availability of regassification capacity for liquefied natural gas, the company has tied up for 1 million metric tonnes (MMT; 3.6 mmscmd) of capacity at Petronet Dahej Terminal.

During H1FY26, the company's generation segment earned an EBITDA (including other income) of INR8.95 billion (FY25: INR15.6 billion; FY24: INR11.5 billion; FY23: INR 16.5 billion). Ind-Ra estimates the thermal plants (gas and coal including DGEN) to generate an EBITDA of INR10 billion–INR12 billion annually from the contracted capacity, supported by low operating expenditure and high plant availability, leading to the recovery of fixed costs. Potential upside from merchant capacity remains contingent upon national electricity demand trends and corresponding price realization in the merchant power market.

Liquidity

Adequate: TPL's liquidity is supported by the healthy cash and cash equivalents of INR19.1 billion at 1HFY26 (FY25: INR12.5 billion; FY24: INR13.6 billion; FY23: INR11.3 billion), along with fund-based working capital limits of around INR15.05 billion. The average utilisation of the fund-based limits, including CP, remained low at 0.3% over the 12 months ended December 2025. TPL has scheduled repayments of INR6.79 billion for 4QFY26 and INR18.4 billion for FY27. TPL's cash flow from operations improved to INR25.2 billion during 1HFY26 (1HFY25: INR23.4 billion; FY25: INR48.0 billion; FY24: INR 42.6 billion; FY23: INR 34.6 billion), driven by a reduction in the accumulation of regulatory assets. The management expects to incur capex of INR206 billion over FY27-FY28 for its renewable asset portfolio along with INR20 billion yearly capex for DL and DF business. Moreover, TPL will incur a capex of INR220 billion over six years starting from FY26 to set up the coal-based thermal power plant. The capex plan would require INR30 billion-40 billion of internal accruals over the medium term. Given that TPL cash flow from operations during FY25 stood at INR48 billion, the company will be able to meet its equity requirements through its cash flow generations which will further be supported by the EBITDA of renewable energy under construction capacity once becomes operational.

Rating Sensitivities

Positive: The successful commissioning of under construction pipeline and/or an increase in the scale of operations and/or a reduction in untied generation of capacity leading to an improvement in the business risk profile and the credit metrics will lead to positive rating action.

Negative: Deterioration in the operating performance of existing regulated and the franchise businesses and/or or delay in ramp-up of its EBITDA from renewable projects or lower than Ind-Ra expected EBITDA and/or weakening of the counterparty profile in renewable projects and/or higher-than-Ind-Ra-expected debt-funded capex leading to the operational debt/run-rate EBITDA exceeding 4.0x on a sustained basis will lead to a negative rating action.

Any Other Information

Not applicable

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on TPL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra’s ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

About the Company

TPL is an integrated power utility and is one of the largest private sector players in India having interests in power generation, transmission, and distribution. TPL has a total operational thermal generation capacity of 3.1 GW and Renewable capacity of 1.9 GW. Additionally, the company has Distribution License in Ahmedabad, Gandhinagar, Surat, Dahej SEZ, Dholera SIR, and Union Teritory of Dadra and Nagar Haveli and Daman and Diu and Distribution Franchise in Agra, Bhiwandi and SMK.

Key Financial Indicators

Particulars	FY25	FY24
Revenue (INR billion)	291.7	271.8
EBITDA (INR billion)	53.1	45.6
Debt (INR billion)	87.3	115.9
EBITDA margins (%)	18.2	16.8
Net leverage (x)	1.4	2.2
Interest coverage (x)	5.1	4.8
Source: TPL audited financials; Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (billion)	Current Rating/Outlook	Historical Rating/Outlook				
				5 February 2025	6 February 2024	29 December 2023	24 May 2023	14 June 2022
Commercial paper	Short-term	INR16.5	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+
Non-convertible debentures	Long-term	INR38.75	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	-

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Commercial paper	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity- indicators>.

Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCDs	INE813H07267	7 June 2023	8.5	7 June 2033	INR1.00	IND AA+/Stable
NCDs	INE813H07275	7 June 2023	8.5	7 June 2032	INR1.00	IND AA+/Stable
NCDs	INE813H07283	7 June 2023	8.5	7 June 2031	INR1.00	IND AA+/Stable
NCDs	INE813H07291	7 June 2023	8.5	7 June 2033	INR1.00	IND AA+/Stable
NCDs	INE813H07309	7 June 2023	8.5	7 June 2032	INR1.00	IND AA+/Stable
NCDs	INE813H07317	7 June 2023	8.5	7 June 2031	INR1.00	IND AA+/Stable
NCDs	INE813H07341	18 January 2024	8.4	18 January 2027	INR1.75	IND AA+/Stable
NCDs\$	INE813H07358	18 January 2024	8.4	18 January 2026	INR1.75	WD
NCDs	INE813H07333	18 January 2024	8.4	18 January 2028	INR2.00	IND AA+/Stable
NCDs	INE813H07325	18 January 2024	8.4	18 January 2029	INR2.00	IND AA+/Stable
NCDs	INE813H07366	28-Feb-24	8.32	28-Feb-29	INR1.75	IND AA+/Stable
NCDs	INE813H07374	28 February 2024	8.32	28 February 2028	INR1.75	IND AA+/Stable
NCDs	INE813H07382	28 February 2024	8.32	28 February 2027	INR1.75	IND AA+/Stable
NCDs	INE813H07390	28 February 2024	8.32	28 February 2026	INR1.75	IND AA+/Stable
NCDs*					INR20.00	IND AA+/Stable
Total#					INR38.75	

*Yet to be issued
#does not include withdrawn NCDs

\$NCDs withdrawn as the amount has been paid in full
Source: NSDL

Contact

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

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