



Press Release
TRIPURA STATE ELECTRICITY CORPORATION LIMITED
January 06, 2026
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	90.00	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	424.02	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	143.36	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	657.38	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE BBB**' (read as ACUITE triple B) and short-term rating of '**ACUITE A3+**' (read as ACUITE A Three Plus) on Rs. 567.38 Cr. bank facilities of Tripura State Electricity Corporation Limited (TSECL). The outlook remains '**Stable**'.

Acuite has assigned its long-term rating of '**ACUITE BBB**' (read as ACUITE triple B) on Rs. 90.00 Cr. bank facilities of Tripura State Electricity Corporation Limited (TSECL). The outlook is '**Stable**'.

Rationale for rating

The rating reaffirmation continues to factor in the comfort derived from the support extended by the parent i.e. Government of Tripura (GoT) which holds 100 percent ownership in TSECL in the form of need-based infusion in the company and guarantee provided by GoT covering both principal and interest against the borrowings. TSECL is the nodal agency for administration and execution of policies pertaining to the power sector in the state of Tripura and established relationships with counterparties. However, these strengths are offset by weak cash flow position and its dependence on the parent to make timely payments. Further, Acuite notes that TSECL incurred loss at operating levels and stood at (24.69) % in FY2025 against (14.56) % in FY2024.

About the Company

Tripura based, TSECL (Tripura State Electricity Corporation Limited) was incorporated in the year 2004, as a wholly owned enterprise of GoT (Government of Tripura). TSECL is engaged in the business of generation, transmission, distribution and rural electrification in the state of Tripura. TSECL operates Rokhia Gas Thermal Power Project (3 x 21 MW), Baramura Gas Thermal Power Project (2 x 21 MW) and Gumti Hydro Power Project (3 x 5 MW). TSECL's own generation is about 100 MW, Central Sector allocation is 286 MW and Private Sector allocation from ONGC Tripura Power Company (OTPC) is 196 MW. Apart from having its own generation facility, TSECL also procures power from NTPC (National Thermal Power Corporation), NEEPCO (North Eastern Electric Power Corporation Limited), and others.

The directors of the company are Shri Biswajit Basu, Shri Apurba Roy, Shri Tapas Ray, Shri

Udayan Sinha, Shri Sarvjit Singh Dogra and a team of experienced personnel.

Unsupported Rating

Acuite BB-/Stable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of TSECL to arrive at the rating while taking into account the inherent backing of GoT, given its 100 per cent ownership in the company and track record of support extended.

Key Rating Drivers

Strengths

Strategically important entity and guarantee extended by GoT

TSECL is a wholly owned undertaking of the Tripura government and is the sole power utility in the state. It is a strategically important entity and forms the backbone of the power sector infrastructure for the state of Tripura.

TSECL shall continue to benefit from the financial, operational and managerial support provided by GoT. Moreover, GoT has provided an unconditional and irrevocable guarantee to cover any shortfall in debt servicing for the long-term facilities availed from Power Finance Corporation (PFC) and others. TSECL's credit profile will also be supported by its access to funds at low cost and its ability to mobilise financial resources from several financial institutions and multilateral development institutions. GoT has also extended interest free loan of Rs. 191.00 crore in FY2025 as against Rs.200.00 Cr in FY24.

Acuite believes the operations of TSECL is expected to remain stable over the medium term on account of continued support from its parent.

Sole transmission and distribution power utility company in the state of Tripura

The power supply industry in Tripura was under the control of the Department of Power, Government of Tripura till 31st December 2004 which entrusted with generation, transmission, distribution and rural electrification. Since TSECL's inception w.e.f 1st January 2005, it took over the existing network along with assets to operate and maintain power supply in the state thereby creating single utility in Tripura.

Weaknesses

Weak operating cash flows and dependence on support from GoT

TSECL is the nodal agency for administration and execution of policies pertaining to the power sector in the state of Tripura. TSECL is required to undertake developmental projects with low internal rate of return (IRR) from time to time. The return metrics for such capital expenditures is further subdued on account of unauthorised use of power and occasional delays in collection of receivables.

The revenue of the company has declined by 13% and stood at Rs.1517.86 Cr in FY2025 as against Rs.1753.29 Cr in FY2024. The decline in revenue was primarily due to the shutdown of fuel-based plants caused by shortage of gas supply, along with the prolonged halt in operations at the Gumati Hydropower Plant due to severe flooding and to some extent, losses from electricity theft. Further, the revenue achieved was Rs. 844.57 Cr in H1FY26 as against Rs.769.57 Cr in H1FY25. TSECL reported an operating loss of (24.69) % in FY2025 as against (14.56) % in FY2024. Further, reported loss of (2.54) % till H1FY26.

Additionally, TSECL is required to undertake substantial capital expenditure in order to maintain, upgrade and expand the power infrastructure in the State of Tripura. A significant portion of this capital expenditure is funded by grants/ transfer payments from the state government and central government under several schemes. The company has a capex plan to double the installed capacity from 63MW to 126 MW at Rokhia Gas Thermal Power Plant with total project cost of Rs.1300 Cr. The funding will be through a mix of external debt

and government support in the ratio of 4:1. This is expected to be operational by April 2027, enhancing power supply coverage in the region.

While the support from GoT is expected to continue over the medium term, any delay in equity infusion/grants will require TSECL to take on additional debt to support the capital expenditure, thereby affecting the overall credit risk profile.

Susceptibility to changes in regulatory framework

TSECL's revenues are influenced by the regulatory framework governing the power sector. Revenues of players like TSECL are determined by state electricity regulatory commissions. The Tripura Electricity Regulatory Commission (TERC) takes into account key parameters like the cost structure and expected return on capital employed to arrive at transmission tariffs, wheeling SLDC (State Load Dispatch Centre) charges, distribution tariffs. Acuite believes that significant changes in the regulatory environment will impinge on the credit profile of the company.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Acuite takes into consideration the benefit derived by TSECL from the 100% ownership of Government of Tripura. GoT has provided irrevocable and unconditional guarantee covering principal and interest obligations against its long-term borrowings.

Stress Case Scenario

While the rating has been derived on the standalone credit risk profile and cash flows of the company, Acuite believes given the 100% holding of Govt of Tripura (GoT); in case of any stress case scenario, the required support would come from the state of Tripura.

Rating Sensitivities

Movement in operating performance
Debt-funded capital expenditure
Timely repayment of loans along with interest

Liquidity Position

Adequate

Liquidity profile of TSECL is supported by need-based infusion and guarantee extended by GoT which provides financial flexibility to the company. The company's working capital cycle were intensive marked by GCA of 258 days for FY2025 as against 277 days for FY2024. Liquidity is further supported by interest free loan of Rs.191.00 Cr extended by GoT in FY25. Moreover, TSECL maintains unencumbered cash and bank balances of Rs.108.48 Cr. Going ahead, liquidity profile of the company is expected to remain adequate on account of continued support from the GoT.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	1517.86	1753.29
PAT	Rs. Cr.	(373.11)	(264.57)
PAT Margin	(%)	(24.58)	(15.09)
Total Debt/Tangible Net Worth	Times	(3.18)	6.99
PBDIT/Interest	Times	(4.09)	(5.20)

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 Nov 2024	Letter of Credit	Short Term	68.36	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	59.02	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	15.98	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	67.44	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	66.08	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	26.96	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	73.54	ACUITE BBB Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	190.00	ACUITE BBB Stable (Assigned)
01 Apr 2024	Letter of Credit	Short Term	68.36	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	59.02	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	15.98	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	100.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	100.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	34.02	ACUITE BBB Stable (Reaffirmed)
12 Feb 2024	Term Loan	Long Term	100.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	100.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	50.00	ACUITE BBB Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	68.36	Simple	ACUITE A3+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	59.02	Simple	ACUITE A3+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.98	Simple	ACUITE A3+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	19.92	Simple	ACUITE BBB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	90.00	Simple	ACUITE BBB Stable Assigned
BANK OF INDIA (BOI)	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Apr 2031	56.84	Simple	ACUITE BBB Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	27 Apr 2029	50.83	Simple	ACUITE BBB Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2030	11.43	Simple	ACUITE BBB Stable Reaffirmed
Canara Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	285.00	Simple	ACUITE BBB Stable Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No.	Company Name
1	Government of Tripura
2	Tripura State Electricity Corporation Limited

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About Acuité Ratings & Research

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