



**Press Release**  
**ODISHA POWER TRANSMISSION CORPORATION LIMITED**  
**August 14, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1568.00	ACUITE A+   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	1568.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuité has reaffirmed the long-term rating of ‘**ACUITE A+**’ (read as **ACUITE A plus**) on the Rs.1568.00 Cr. bank facilities of Odisha Power Transmission Corporation Limited (OPTCL). The outlook remains ‘**Stable**’.

**Rationale for Rating**

The rating takes into cognizance the strong business risk profile of OPTCL characterized by healthy operating performance supported by regular tariff revision approvals from the state regulatory commission and healthy financial risk profile. The rating also factors in the support from the government of Odisha to OPTCL, as and when necessary, in the form of unsecured loans to support the liquidity of OPTCL. These strengths are partly offset by the inherently regulated nature of operations in the electricity transmission business.

**About the Company**

Odisha Power Transmission Corporation Limited (OPTCL) was incorporated in 2004 and is engaged in the business of power transmission in Odisha state. The company is carrying on the interstate transmission and wheeling of electricity under a license issued by the Odisha Electricity Regulatory Commission (OREC). At present OPTCL has 198 substations and 16,749.62 circuit km of transmission line and 27,355 MVA transformation capacity, spread over the entire stretch of the State of Odisha. Moreover, OPTCL maintains transmission system availability of more than 99 per cent by adopting proactive maintenance policy. The company has its registered office in Odisha and is currently managed by Bhaskar Jyoti Sarma, IAS, Chairman-cum-Managing Director, OPTCL.

**Unsupported Rating**

Acuite A-/Stable

**Analytical Approach**

Acuité has taken the standalone view of the business and financial risk profile of OPTCL to arrive at the rating. However, the rating factors in the support from the Government of Odisha, given the latter holding 100 per cent ownership of OPTCL and its strategic importance to the state.

**Key Rating Drivers**

**Strengths**

Support from the government of Odisha

OPTCL is a wholly owned undertaking of the GoO and a strategically important entity for the power sector infrastructure in the state of Odisha. The ownership structure provides adequate financial flexibility. It is also the nodal agency of the government for undertaking power transmission activity in the state. Being the transmission licensee, OPTCL is mandated to ensure the development of an efficient, coordinated, and economical transmission network for smooth flow of power to the load centers. OPTCL's credit quality is also supported by its access to

funds at low cost and its ability to mobilise financial resources from several financial institutions and multilateral development institutions due to its status as a state-owned entity.

Acuité believes that OPTCL, being a 100% undertaking of GoO, shall continue to benefit from financial, operational and management support as and when required. The GoO has demonstrated financial support by way of loans to OPTCL on a regular basis. Any changes in the ownership pattern of OPTCL or any event that impinges GoO's overall credit profile shall remain a key rating sensitivity.

#### **Steady business risk profile buoyed by favourable operating efficiency**

OPTCL's revenue stood at Rs.1318.57 Cr. in FY25 as compared to revenues of Rs. 1204.94 Cr. in FY24. Overall, revenue from operations increased in FY2025 primarily on account of timely tariff revision by Odisha Electricity Regulatory Commission (OERC) coupled with transmission system availability of 99.98% ensuring higher units wheeled. The operating margins have improved from 48.69% in FY25 as against 43.48% in FY24. For FY25 PAT margin stood at 18.03% on account of lower tax outgo and higher deferred income in the form of government grants as compared to -14.82% in FY24.

#### **Inbuilt 'cost plus tariff' structure**

The billing of transmission charges by OPTCL is regulated by ERC as per Annual Revenue Requirement (ARR) of a 'cost-plus tariff' mechanism. The regulator allows a post-tax return on equity and other uncontrollable expenses are allowed to be passed through in tariff through the Annual Performance Review (APR) process. Acuité believes the 'tariff mechanism will continue to sustain the stable business outlook for the company.

#### **Healthy financial risk profile**

The tangible net worth of the company stood at Rs. 3355.47 Cr. as on March 31, 2025 as compared to Rs. 2655.07 Cr. as on March 31, 2024, due to accretion to reserves and infusion of equity share capital. The infusion of equity share capital by Rs. 462.70 Cr. has been noticed on account of increased ongoing projects. The government is liable to introduce funds as equity up to 30% of the project costs that are to be incurred by the company. The gearing of the company stood modest at 0.56 times as on March 31, 2025. Unsecured loans are provided by Government of Odisha (Japan International Co-operative Agency (JICA)) with interest rates standing at (~5%) and mandate of securing infrastructure funding from these entities as per Govt. order. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 2.20 times as on March 31, 2025 as compared to 2.88 times as on March 31, 2024. The debt protection metrics of the company remain comfortable marked by Interest coverage ratio (ICR) of 4.88 times and debt service coverage ratio (DSCR) of 2.13 times for FY25. The net cash accruals to total debt (NCA/TD) stood healthy at 0.35 times in FY2025. Acuité believes that the financial risk profile is likely to improve on account of equity infusion as a part of capex funding, bolstering their net worth, and reduction of debt obligations at the back of improved operations and transmission line availability.

### **Weaknesses**

#### **Regulated nature of operations**

OPTCL continues to be exposed to regulatory uncertainty, given that the revenues or transmission charges are influenced by the regulatory framework governing the power sector. The company operates through a cost-plus return on equity model laid down by OERC. Any change or reduction in return on equity or a tightening of the OERC norms could result in lower operating cash flows. Further, any delay in finalization of the tariffs could result in cash flow mismatch in the medium term.

#### **Working capital intensive nature of operations**

The working capital management of the company is intensive marked by Gross Current Assets (GCA) of 794 days for FY2025 as compared to 886 days for FY2024. High cash and bank balance of Rs. 2,236.14 Cr. in FY25 and Rs. 2,292.32 Cr. in FY24 has stretched GCA days. These cash and bank balances are in the form of FD and Flexi Deposits which allows them to use funds as and when required for their operations while interest is earned from fixed deposits (not lien marked). Inventory in the form of Consumable Stores & Spares (Transformers, insulators, circuit breakers) and Construction Materials (Steel structures, conductors, cables, towers) have increased to 141 days in FY25 as compared to 122 days in FY24 because of ongoing projects going for EPC contracts. The debtor days stood at 52 days in FY25 against 41 days in FY2024 is due to mechanism of receiving payments from DISCOMs. Acuité believes that the working capital management of the company is likely to be at similar levels over the medium term due to inherent nature of operations of OPTCL.

### **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)**

Acuité takes into consideration the benefit derived by OPTCL from the 100% ownership of Government of Odisha, either directly or indirectly.

#### **Stress Case Scenario**

While the rating has been derived on the standalone credit risk profile and cash flows of the OPTCL, Acuité believes given the 100% holding of Govt of Odisha (directly / indirectly); in case of any stress case scenario, the required support would come from the state of Odisha.

## **ESG Factors Relevant for Rating**

Not Applicable

## **Rating Sensitivities**

Timely support from the Government of Odisha.  
Timelines for tariff revision.

## **Liquidity Position**

### **Strong**

The company has strong liquidity marked by net cash accruals of Rs. 647.44 Cr. as on March 31, 2025 as against Rs. 225.69 Cr. long term debt obligations over the same period. The current ratio of the company stood comfortable at 3.46 times in FY25. The cash and bank balance stood at Rs. 2236.14 Cr. for FY25. OPTCL does not have any working capital limits ensuring efficient collection mechanism. Investments worth Rs. 124.73 Cr. in G-Secs form a part of contingency reserve providing additional comfort in case of any force majeure event. Acuité believes that the liquidity of the company is likely to remain adequate over the medium term on account of comfortable cash accruals against long debt repayments over the medium term.

## **Outlook : Stable**

## **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	1318.57	1204.94
PAT	Rs. Cr.	237.70	(178.56)
PAT Margin	(%)	18.03	(14.82)
Total Debt/Tangible Net Worth	Times	0.56	0.79
PBDIT/Interest	Times	4.88	3.94

### 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>
- State Government Ratings : <https://www.acuite.in/view-rating-criteria-26.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 May 2024	Term Loan	Long Term	500.00	ACUITE A+   Stable (Reaffirmed)
	Term Loan	Long Term	468.00	ACUITE A+   Stable (Reaffirmed)
	Term Loan	Long Term	600.00	ACUITE A+   Stable (Reaffirmed)
16 Feb 2023	Term Loan	Long Term	500.00	ACUITE A+   Stable (Reaffirmed)
	Term Loan	Long Term	468.00	ACUITE A+   Stable (Assigned)
	Term Loan	Long Term	600.00	ACUITE A+   Stable (Reaffirmed)
15 Jul 2022	Term Loan	Long Term	419.00	ACUITE A+   Stable (Upgraded from ACUITE A   Stable)
	Term Loan	Long Term	81.00	ACUITE A+   Stable (Upgraded from ACUITE A   Stable)
	Term Loan	Long Term	600.00	ACUITE A+   Stable (Assigned)

**Annexure - Details of instruments rated**

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	261.41	Simple	ACUITE A+   Stable   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	28 Feb 2018	Not avl. / Not appl.	28 Feb 2033	327.16	Simple	ACUITE A+   Stable   Reaffirmed
UCO Bank	Not avl. / Not appl.	Term Loan	31 Mar 2022	Not avl. / Not appl.	31 Mar 2037	443.98	Simple	ACUITE A+   Stable   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	05 Jun 2021	Not avl. / Not appl.	20 Jun 2036	535.45	Simple	ACUITE A+   Stable   Reaffirmed

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

Sr. No.	Company name
1	GOVERNMENT OF ODISHA
2	ODISHA POWER TRANSMISSION CORPORATION LIMITED

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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