



Press Release

SIKKIM POWER TRANSMISSION LIMITED (ERSTWHILE TEESTAVALLEY POWER TRANSA LIMITED)

October 17, 2025

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	715.60	ACUITE A- Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	715.60	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE A-**' (read as **ACUITE A minus**) from '**ACUITE BBB+**' (read as **ACUITE triple B plus**) on the Rs. 715.60 crore bank facilities of Sikkim Power Transmission Limited (Erstwhile Teestavalley Power Transmission Limited) (SPTL). The outlook is '**Stable**'.

Rationale for Rating

The upgrade in the rating reflects the improving financial risk profile and strong liquidity position of the company. Since the company's operations are regulated, its steady scale of operations and profitability are maintained, which is demonstrated by 100%-line availability for power transmission over the years. Further, the rating derives additional comfort as SPTL became step-down subsidiary of Greenko Energies Private Limited (GEPL) through its own parent entity (i.e. Sikkim Urja Limited) with effect from 5th March 2025.

However, the above strengths are partly offset by the inherently regulated nature of operations in the electricity transmission business.

About the Company

Incorporated in 2006, Sikkim Power Transmission Limited. (SPTL) is a joint venture between Sikkim Urja Limited (SUL) and Power Grid Corporation of India Ltd. (PGCIL), holding 69.08 per cent and 30.92 percent of shares respectively and recently became step-down subsidiary of Greenko Energies Private Limited. The Central Electricity Regulatory Commission (CERC) had granted a transmission license to SPTL and for that purpose, the company constructed a 400 kV Double Circuit Quad Moose 215 km Interstate Transmission Line from 1200 MW Teesta-III HEP in Sikkim to PGCIL sub-station at Kishanganj, Bihar. The company achieved its commercial operation date (COD) on 13th February, 2019 and presently has around 100 per cent transmission line availability. The company is currently managed by Mr. Gopalam Adishesu, Mr. Naveen Srivastav, Mr. Sanjay Kumar Gupta, Mr. Dondla Nagendra Prasad, Mr. Satyadurgaprasada Raju, Mr. Naredla Venugopala Rao, Mr. Vijay Kumar Bhaskar and Mr. Stuti Kacker as directors.

About the Group

Incorporated in July 2000, GEPL is a subsidiary of Greenko Mauritius, which in turn is a subsidiary of GEH, the ultimate holding company of the Greenko group. GEH owns and operates renewable energy plants in India through its step-down subsidiaries in India. GEH has a total renewable portfolio of 15.5 GW as on September 2024, out of which 5.5 GW is operational, and 10.0 GW is under implementation. GEPL (Consolidated) has operational renewable portfolio of 2.2 GW as on September 2024 end and 7.0 GW of under construction capacity

pertaining to IREPs.

Unsupported Rating

Acuite BBB/Stable

Analytical Approach

Acuite has taken the standalone view of the business and financial risk profile of Sikkim Power Transmission Limited to arrive at the rating. In addition to that, Acuite have factored the support from its ultimate parent entity i.e. Greenko Energies Private Limited through its relationship & holding in Sikkim Urja Limited which in turn holds majority stake in this entity apart from its operational linkages and strategic importance.

Key Rating Drivers

Strengths

Strategically Important Entity

The company provides interstate transmission system line catering to the states of Sikkim, West Bengal and Bihar covering a total distance of 215 Km. Being the transmission licensee by CERC, SPTL is mandated to ensure the development of an efficient, coordinated and economical transmission network for smooth flow of power in 400 kV Double Circuit Quad Moose Interstate Transmission Line (ISTS line) from 1200 MW Teesta-III HEP in Sikkim to PGCIL sub-station at District Kishanganj, Bihar. The annual transmission charges determined by CERC are recovered by raising bills through Central Transmission Utility India Limited (CTUIL), a 100% subsidiary of PGCIL, based on the monthly availability of the transmission line during the billing period.

'Cost plus' tariff mechanism and approval of final capital cost

The annual transmission charges for the line laid by SPTL is determined by CERC primarily on cost plus method and reviewed annually or under Multi Year Tariff (MYT) regime by CERC. CTUIL makes billing based on cost approved by CERC in point of connection pool for further recovery from Designated ISTS Customers (DIC). Acuite believes the 'cost-plus' based tariff mechanism will continue to sustain the stable business outlook for the company.

Improving Financial Risk Profile

The company's financial risk profile is marked by healthy net worth, gearing and moderate debt protection metrics. The tangible net worth of the company improved to Rs. 478.86 Cr. as on March 31, 2025, from Rs. 399.82 Cr. as on March 31, 2024, due to accretion of profits in to reserves. The gearing of the company improved and stood at 1.21 times in FY 25 as against 1.71 times in FY 24. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) also improved and stood high at 1.53 times in FY 25 as against 2.01 times in FY 24. The debt protection metrics of the company is adequate marked by Interest Coverage Ratio stood at 4.11 times and Debt Service Coverage Ratio at 1.30 times for FY 25 respectively. Acuite believes that going forward the financial risk profile of the company will improve backed by no major debt funded capex planned.

Weaknesses

Regulated nature of operations

The revenues are influenced by the regulatory framework governing the power sector. Revenues of players such as SPTL are determined by Central Electricity Regulatory Commission (CERC). The regulatory commission takes into account key parameters such as the availability of the transmission line, interest paid on term loans and working capital loans, operational and maintenance expenses, depreciation and expected return on capital employed to arrive at transmission tariffs. Acuite believes that significant changes in the regulatory environment may impact 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)

The company is required to maintain DSRA for three months of debt obligation which provides comfort to the lenders against their exposure.

ESG Factors Relevant for Rating

The company's transcends merely moving electricity from generation sources to distribution networks; as dedicated to ensuring the reliable, efficient, and sustainable delivery of this vital energy across vast distances. The comprehensive infrastructure, comprising high-voltage transmission lines, sophisticated substations, and cutting-edge monitoring technology, is meticulously engineered to minimize power loss, maintain grid stability, and withstand the challenges posed by extreme weather and evolving energy demands. The electron transmitted powers homes, drives industries, and sustains critical services like hospitals and transportation. Therefore, operational excellence, rigorous safety protocols, and proactive maintenance form the bedrock of our corporate philosophy.

Rating Sensitivities

- Any changes in the regulatory environment
- Any unforeseen event which may impact the scale of operations

Liquidity Position Strong

The company's liquidity is strong marked by net cash accruals of Rs. 153.43 Cr. against the debt obligation of Rs. 104.91 Cr. for the same year indicating availability of surplus cushion for any future endeavours. In addition to that, the company has put contingency fund aside of Rs. 11.42 Cr. under Self Insurance Reserve on March 31, 2025, to be utilized for unforeseen exigencies. The company has an unencumbered cash & bank balance of Rs. 170.42 Cr. as on 31st March 2025. Acuite believes that that going forward the liquidity position of the company will improve with steady accruals on account of regulated nature of operations. The current ratio of the company is 1.35 times for FY 25.

Outlook - Stable

Other Factors affecting Rating None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	233.37	246.17
PAT	Rs. Cr.	65.10	63.64
PAT Margin	(%)	27.89	25.85
Total Debt/Tangible Net Worth	Times	1.21	1.71
PBDIT/Interest	Times	4.11	3.71

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
05 Aug 2024	Term Loan	Long Term	199.40	ACUITE BBB+ (Reaffirmed & Withdrawn)
	Term Loan	Long Term	685.60	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	30.00	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	99.55	ACUITE Not Applicable (Withdrawn)
22 May 2023	Term Loan	Long Term	885.00	ACUITE BBB+ Stable (Reaffirmed)
	Secured Overdraft	Long Term	30.00	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	99.55	ACUITE BBB+ Stable (Reaffirmed)
01 Jul 2022	Term Loan	Long Term	885.00	ACUITE BBB+ Stable (Reaffirmed)
	Secured Overdraft	Long Term	30.00	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	99.55	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
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	140.65	Simple	ACUITE A- Stable Upgraded (from ACUITE BBB+)
Bank Of Baroda	Not avl. / Not appl.	Term Loan	01 Apr 2010	Not avl. / Not appl.	30 Jun 2030	544.95	Simple	ACUITE A- Stable Upgraded (from ACUITE BBB+)
Bank Of Baroda	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A- Stable Upgraded (from ACUITE BBB+)

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

Sr. No.	Company Name
1	Sikkim Power Transmission Limited (Erstwhile Teestavalley Power Transmission Limited)
2	Sikkim Urja Limited
3	Greenko Energies Private Limited

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Kartik Arora Senior Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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