CareEdge RATINGS

Ratnagiri Gas and Power Private Limited

March 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	295.52 (Reduced from 352.60)	CARE BBB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating reaffirmation for bank facilities of Ratnagiri Gas and Power Private Limited (RGPPL), which is operating a 1,967.08 MW gas-based power project in Ratnagiri (Maharashtra), factors in improvement in the company's liquidity position with cash and cash equivalents of ₹1,944 crore as on December 31, 2025, post receipt of ~₹1,239 crore from Maharashtra State Electricity Distribution Company Limited (MSEDCL) between July 2025 and December 2025, per Supreme Court order in favour of RGPPL. The rating continues to factor in strong financial linkages with its parent, NTPC Limited (NTPC; rated 'CARE AAA; Stable'), which holds majority shareholding of 86.49% in RGPPL. NTPC is India's largest power producer and a 'Maharatna' company. NTPC's stated posture towards RGPPL remains strong as reflected by the funding support provided in the past. The rating continues to factor in the company's absence of external funded debt as the entire debt is in form of intercompany loans from NTPC. Of the total debt of ₹639.5 crore as on March 31, 2025, ₹380.20 crore is subordinated to the rated debt and shall be repaid only post servicing of ICL-1 (rated debt). This and cash and cash equivalents of ₹1,944 crore as on December 31, 2025, resulted in net debt negative position for the company. The company is planning to revive Block-1 with the available liquidity, which has been under preservation since FY14, and revival of the block is expected to cost ~₹800 crore.

However, the rating is constrained by dispute over power purchase agreement (PPA) with MSEDCL for 95% capacity on cost plus tariff per Central Electricity Regulatory Commission (CERC) tariff regulations. MSEDCL contested that the project was envisaged with natural gas as primary fuel and had sought termination of PPA, when RGPPL started declaring plant availability using costlier regasified liquified natural gas (RLNG), owing to lack of domestic natural gas in India. The Supreme Court (SC) ruled in favour of RGPPL on legality of PPA, vide its order dated November 2023. MSEDCL also contested the demand of ₹3,127 crore towards capacity charge from April 2013 to October 2023. Vide its order dated May 2025, the SC directed MSEDCL to pay ~₹1,239 crore and payment of remaining capacity charges claimed by RGPPL are contingent on final order from the SC. Resolution of dispute with MSEDCL and payment of capacity charges per PPA on a regular basis shall be a key rating monitorable. The company is exposed to fuel price and availability risk owing to lack of long-term gas purchase agreements and limited availability of domestic natural gas. The company relied on costlier imported RLNG, which impacts the company's merit order position. The prevailing war situation in West Asia may impact RLNG's availability, however, as per the management, availability of RLNG has been satisfactory as on date. The company's operational performance remained moderate although improved on y-o-y basis as evident from plant availability factor (PAF) of 64.5% in FY25 (PY: 53%) and 67.2% in 9MFY26 leading to under recovery of capacity charges. The plant load factor (PLF) continues to remain low at 8.3% in FY25 (PY: 7.1%) and 6.7% in 9MFY26.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in operational performance as reflected by sustained increase in PAF.
- Realisation of past receivables from MSEDCL, including capacity charges from FY24 onwards, which remain unbilled at present.

Negative factors

- Material increase in indebtedness, adversely impacting the debt protection metrics
- Weakening credit profile of the parent, NTPC or change in linkages/support philosophy between NTPC and RGPPL.

Analytical approach: Standalone, factoring in parent support, NTPC.

Outlook: Stable

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

The stable outlook factors in the company's healthy liquidity position and nil external debt. Operational and financial benefits from being part of the NTPC group is likely to accrue for RGPPL.

Detailed description of key rating drivers:

Key strengths

Parentage of NTPC, which has extensive expertise in thermal power generation

NTPC is a 'Maharatna' company, which currently holds 86.49% stake in RGGPL as on December 31, 2025. NTPC is the largest power generating company in India, with an aggregate group installed capacity of 85.64 GW as on December 31, 2025, and 88.13 GW as on February 20, 2026. It has expertise in the entire cycle of conceptualisation to operation of gas power plants and provides technical and management input to RGGPL. NTPC has extended inter-company loans in two tranches ICL-1 (rated debt) and ICL-2 to RGPPL, of which, ICL-2 is subordinated to ICL-1 and shall be repaid only post servicing ICL-1.

Demonstrated financial and operational support by NTPC Limited

NTPC has a long-established track record of effectively conceptualising, developing, and operating power plants across India. As part of a composite resolution plan for a one-time settlement (OTS) with RGPPL's existing lenders, NTPC has provided an inter-corporate deposit of ₹885 crore (excluding ₹570.19 crore loan novated to NTPC). Under this plan, NTPC, also acquired a majority stake in RGPPL and continues to offer substantial managerial support to the company, with most board of directors now appointed by NTPC.

Nil external term debt providing financial flexibility to some extent

Following the composite resolution plan, RGPPL has cleared all external term debt. NTPC has extended inter-company loans in two tranches ICL-1 (rated debt) and ICL-2 to RGPPL, of which ICL-2 is subordinated to ICL-1 and shall be repaid only post servicing ICL-1. Tenor of ICL-2 reduced to FY29, owing to prepayment of loan in FY24.

Key weaknesses

Weak project viability due to disputes regarding current PPAs

The company had entered PPAs with MSEDCL for 95% of its capacity, and with Goa (1%), Daman & Diu (2%), and Dadra & Nagar Haveli (2%). MSEDCL contested that the project was envisaged with natural gas as primary fuel and had sought termination of PPA, when RGPPL started declaring plant availability using costlier RLNG owing to lack of domestic natural gas in India. The SC ruled in favour of RGPPL on legality of PPA, vide its order dated November 2023. MSEDCL had also contested the demand of ₹3,127 crore towards capacity charge from April 2013 to October 2023. Vide its order dated May 2025, the SC directed MSEDCL to pay ~₹1,239 crore and payment of remaining capacity charges claimed by RGPPL are contingent on final order from the SC. Resolution of dispute with MSEDCL and payment of capacity charges per PPA on a regular basis shall be a key rating monitorable.

Subdued operational and financial performance in the past

The company's operational performance remained moderate as evident from PAF of 64.5% in FY25 (PY: 53%) and 67.2% in 9MFY26 owing to repair and maintenance undertaken in the past and limited availability of natural gas/RLNG. Owing to cost plus nature of PPAs, lower PAF has led to under recovery of capacity charges. PLF continues to remain low at 8.3% in FY25 (PY: 7.1%) and 6.7% in 9MFY26. Improvement in the company's operational performance, as evident by PAF in line with normative parameters shall be a key rating monitorable.

Liquidity: Adequate

As on December 31, 2025, the company had free cash and cash equivalents of ~₹1944 crore and additionally encumbered cash balances of ~₹167 crore. Cash balances were built up primarily due to the receipt of ~₹1239 crore received in six instalments from July-December 2025, from MSEDCL. Bank guarantee of ₹80 crore with IDBI Bank has been given to the customs department.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default]
[Factoring Linkages Parent Sub JV Group]
[Liquidity Analysis of Non-financial sector entities]
[Rating Outlook and Rating Watch]
[Financial Ratios – Non financial Sector]
[Project stage companies]
[Infrastructure Sector Ratings]

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

RGPPL is promoted by NTPC (86.49%) and MSEB Holding Company Limited(MSEBHCL) (13.51%). It was formed in 2005 to take over partially completed assets of Dabhol Power Project owned by Dabhol Power Company Limited (DPCL). The power plant has an installed capacity of 1,967.08 MW (640 MW, 663.54 MW and 663.54 MW for respective power blocks). Vide its order dated February 28, 2018, the hon'ble National Company Law Appellate Tribunal (NCLAT) approved the demerger plan of the company's power block and RLNG terminal and the scheme was made effective March 26, 2018.

Particular	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	2605.2	3266.6
PBILDT	1340.8	1743.5
PAT	1582.3	1751.0
Overall gearing (times)	0.50	0.20
Interest coverage (times)	0.70	20.31

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	June 29,2029	215.52	CARE BBB-; Stable
Non-fund-based - LT-Bank Guarantee		-	-	-	80.00	CARE BBB-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	215.52	CARE BBB-; Stable	-	1)CARE BBB-; Stable (17-Mar-25)	1)CARE BBB-; Stable (20-Dec-23) 2)CARE BBB-; Stable (06-Apr-23)	1)CARE BBB; Stable (02-Jun-22)
2	Non-fund-based - LT-Bank Guarantee	LT	80.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (17-Mar-25)	1)CARE BBB-; Stable (20-Dec-23)	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Non-fund-based - LT-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Annexure-6: List of entities consolidated: Not applicable

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About us:

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