

Dhariwal Infrastructure Limited

August 12, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long Term Bank Facilities	RBI	2,764.18	CARE A+; Stable	Upgraded from CARE A; Stable
Short Term Bank Facilities	RBI	75.00	CARE A1	Upgraded from CARE A2+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade in ratings assigned to bank facilities of Dhariwal Infrastructure Limited (DIL), which is operating a 600-MW coal-based thermal power plant in Maharashtra, factors in sustenance of satisfactory operational and financial performance in FY26. The company reported robust plant availability factor (PAF) above 85% leading to full recovery of fixed charges and healthy plant load factor (PLF) of 83% and 87% in FY26 and FY25, respectively. The generation has remained robust in the current fiscal as reflected by PLF of 82% in Q1 FY27. This alongside, the company had entered new power purchase agreements (PPAs) for 225 MW out of 600-MW capacity in FY26 at higher tariffs with reputed counterparties, which was expected to yield a higher annual earnings before interest, taxation, depreciation, and amortisation (EBITDA) by ₹70-80 crore. The actual EBITDA has witnessed an increase by ₹77 crore as reflected by EBITDA of ₹614 crore for FY26 against ₹537 crore for FY25. This was despite the moderation in merchant tariffs as realisations dropped to ₹5.45 per unit in FY26 against ₹7.1 per unit in FY25. The company benefited from a favourable true-up order issued by Uttar Pradesh Electricity Regulatory Commission (UPERC) for the FY20-FY24 period in FY26, resulting in the recognition of income to the tune of ₹120 crore. CareEdge Ratings notes that, the company has received most of this amount in Q1FY27. CareEdge Ratings also takes a note of prepayments done by the company in Q1FY27, which has reduced the liabilities to be serviced in the remainder of FY27.

Ratings continue to factor in the presence of medium-to-long-term PPAs for ~89% of the overall capacity with unit 1 having medium term PPAs of 2-5 year tenor, whereas the 300 MW unit 2 is tied up under long-term PPAs with Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) (100 MW) till September 2028 and Noida Power Company Limited (NPCL) (187 MW) till FY39, which provides revenue visibility. Ratings are further strengthened by timely payment from off-takers including realisation of outstanding dues from TANGEDCO in the form of EMIs post implementation of Electricity (Late Payment Surcharge & Related Matters) Rules, 2022, which has supported the liquidity profile of the company. The long-term fuel supply agreements (FSA) with South Eastern Coal Fields (SECL) for long-term PPAs and through Shakti scheme for medium-term PPA mitigates fuel availability and price risk to a large extent. Healthy realisation of coal under FSA and decline in premium of e-auction coal over FSA prices has reduced the coal cost per unit in the recent years. Ratings continue to draw strength from DIL's strong financial flexibility being a part of the CESC group, which has vast business experience in the power sector and has previously provided funding support to DIL.

However, ratings are constrained by off-take and price risk associated with 65 MW capacity (11% total installed capacity), which is selling through merchant route and PPA renewal risks associated with the 325 MW capacity, PPAs for which are expiring over the next two years. The company's ability to tie up PPAs at remunerative basis shall be a key rating monitorable. While the financial profile of off-takers such as Noida Power Company Limited, Tata Power Company Limited and Adani Electricity Mumbai Limited is strong, the company is exposed to counterparty credit risk associated with exposure to TANGEDCO, which has a relatively weak financial profile as evident from delay in payments in the past. CareEdge Ratings takes a note of the regulatory risk considering ongoing appeal by UPERC challenging approval of PPA of DIL with NPCL in The Hon'ble Supreme Court. The negative sensitivity of total debt/EBITDA of 4x was breached in FY26 as the company availed incremental debt of ₹800 crore primarily for funding equity requirement for renewable capacity expansion under Purvah Green Power Private Limited (rated 'CARE A; Stable/ CARE A1'). However, the company had cash and liquid investments of ₹1,271 crore leading to net debt of ₹1,627 crore and resulting in net debt/EBITDA of 2.65x as on March 31, 2026, which is comfortable. CareEdge Ratings expects the TD/EBITDA to remain below 4.0x on a sustained basis.

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the credit profile of the parent company, CESC Limited (CESC).
- Signing of long-term/medium-term PPAs at remunerative tariff.
- Improvement in net debt/EBITDA to below 2.5x on a sustained basis.

Negative factors

- Deterioration in the credit profile of CESC or reduction of its shareholding in DIL to below 51% or change in support philosophy from CESC towards DIL.
- Moderation in total debt/EBITDA beyond 4.0x on a sustained basis.
- Sustained delay in realisation of outstanding dues from off-takers adversely impacting the company's liquidity profile.
- Any regulatory action adversely impacting the credit profile of the company, including disapproval of PPA with NPCL by The Hon'ble Supreme Court.

Analytical approach: Standalone plus factoring in parent support.

CareEdge Ratings has notched up the rating, factoring operational, financial, and managerial support extended by the promoter CESC.

Outlook: Stable

The stable outlook on ratings of DIL factors in presence of long-term/medium-term PPAs for majority capacity, satisfactory operational performance aligned with past trends, healthy realisation from merchant sales and timely payment from counterparties.

Detailed description of key rating drivers

Key strengths

Part of an established group with extensive experience in power distribution and generation; deriving strong operational, managerial, and financial support

Entire stake in DIL is held by CESC, which is a vertically integrated power utility with several decades' experience. DIL enjoys operational, financial, and managerial support from its promoter group. The promoter group has a highly qualified and experienced employee pool having large experience in their related field. DIL also has adequate board representation from the promoter and shares a common treasury team. DIL received significant fund support from CESC and Haldia Energy Limited for funding its scheduled debt repayment obligations and prepayments of debt considering significant cash losses over the past years.

Presence of long-term/medium-term PPA provides revenue visibility

The company has recently signed medium-term PPA with Maharashtra Airport Development Company (MADC) for 10-MW capacity for a tenor of five years. The existing medium-term PPAs signed in Q1FY26, with Noida Power Company Limited (25 MW), Tata Power Company Limited (75 MW), and Adani Electricity Mumbai Limited for (125 MW) provide healthy revenue visibility for the company. The power supply to these PPAs started in Q1FY26. The company also has 25 years PPA from commercial operations date (COD) with Noida Power for 187 MW on cost plus basis, 15-year PPA with TANGEDCO for 100 MW till September 2028, which provides revenue visibility. The PPAs are signed at remunerative tariff. The company's ability to renew PPAs at attractive tariffs shall remain a key credit monitorable.

Sustained healthy operational performance

DIL's operational performance has been satisfactory in FY26 and Q1FY27 as characterised by PAF of 97% in FY26 (PY: 95%) against normative PAF of 85% leading to full recovery of capacity charges. PLF also stood healthy at 83% in FY26 (PY: 87%) and 82% in Q1FY27.

Fuel supply and price volatility risk for capacity untied in long term

PPA DIL has FSA with SECL for supply of 2.73 MMTPA coal, which is sufficient to meet the requirements of both units. However, of this FSA, only 1.58 MTPA is operational in correspondence to the long-term PPAs for Unit-II. Post signing of the medium-term PPAs corresponding to 225 MW for Unit 1, the company got 1.15 MTPA coal under shakti policy (Shakti B [III]). The balance

requirement of 0.35 MTPA for Unit-I shall be obtained through e-auction or other sources. The realisation of coal under FSA/SHAKTI scheme has been adequate.

Improving financial risk profile

The company's gross cash accrual (GCA) has remained healthy post signing of medium-term PPAs for Unit 1. While the company has availed term loan of ₹800 crore in FY26 leading to moderation in leverage, the debt coverage indicators remain comfortable owing to the signing of new medium-term PPAs of 235 MW for Unit 1 at remunerative tariffs. The average short-term realisation stood at ₹5.45 per unit in FY26 (PY: ₹7.1 per unit), which further improved to ₹6.41 per unit in Q1FY27. The company has prepaid a large share of debt for FY27 during the year. The company's improved financial performance is also reflected in the reduction of group support, which stood at ₹390 crore at the end of FY25 (FY24: ₹740 crore) and has reduced to nil as on March 31, 2026.

Key weaknesses

PPA renewal risk and merchant risk associated with untied capacity

The tied-up capacity under unit-II is under a long-term PPA with NPCL for 25 years from COD and TANGEDCO till September 2028, while the capacity tied up under unit-I is under medium-term PPA exposing DIL to PPA renewal risk. Out of overall capacity of 600 MW, 65 MW is selling via merchant route and PPAs for 325 MW is expiring in next two years (200 MW in FY28 and 125 MW in FY29). DIL sells the power generated from the untied capacity under merchant basis, which exposes it to risks related to price and volumes of the merchant market. Although realisation under merchant market has been healthy for DIL in recent past, sustained healthy realisations under this will be a key monitorable. The company's ability to tie up PPAs at remunerative tariff shall be a key rating monitorable.

Counterparty credit risk associated with sale of power to distribution companies

The sale of power under the long-term PPA with TANGEDCO, exposes DIL to counterparty credit risk due to weak credit profile of the state utility as evident from delay in payments in the past. However, per the management, TANGEDCO has opted to clear entire dues under the EMI scheme by Ministry of Power in 48 equal instalments and DIL has received all instalments as on July 31, 2026. The payment from off-takers has been timely as evident from debtor days of 59 as on March 31, 2026 (PY: 54). Timely payment from counterparties, including TANGEDCO, shall remain a key rating monitorable.

Regulatory risk

DIL is exposed to the regulatory risk due to an ongoing case relating to approval of its PPA with NPCL. Although DIL has received a favourable order from Appellate Tribunal (APTEL), it has now been referred to Honorable Supreme Court. Adverse outcomes shall remain a key monitorable.

Liquidity: Adequate

The company has adequate liquidity position with free cash and cash equivalents amounting to ₹1,222 crore as on June 30, 2026. The average fund-based working capital utilisation for ₹450 crore limits in the TTM ending June 2026 is 60%. DIL's cash accruals with cash and cash equivalents are expected to be adequate to meet its repayments which provides comfort.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

[Notching by Factoring Linkages in Ratings](#)

[Thermal Power](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

DIL belongs to the RP-Sanjiv Goenka group and is a wholly-owned subsidiary of CESC. Unit-I (300 MW) and Unit-II (300 MW) were commissioned on February 11, 2014, and August 02, 2014, respectively. The 'RP-Sanjiv Goenka' group is a leading industrial group in the country, having interests across diverse business segments such as power, infrastructure, carbon black, retail, education, BPO, and media and entertainment. DIL is governed by a six-member board of directors.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	1,958	2,069
PBILDT*	537	614
Profit after tax (PAT)	313	359
Overall gearing (x)	1.63	1.57
Interest coverage (x)	2.94	2.65

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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-Cash Credit	RBI	Simple	-		-	-	450.00	CARE A+; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	30-09-2035	1789.18	CARE A+; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	30-12-2032	470.00	CARE A+; Stable
Non-fund-based - LT-Bank Guarantee	RBI	Simple	-		-	-	55.00	CARE A+; Stable

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Non-fund-based - ST-BG/LC	RBI	Simple	-		-	-	75.00	CARE A1

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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	1789.18	CARE A+; Stable	-	1)CARE A; Stable (11-Sep-25) 2)CARE A-; Stable (06-Jun-25)	1)CARE A-; Stable (06-Jan-25) 2)CARE A-; Stable (30-May-24)	1)CARE BBB+; Stable (26-Sep-23)
2	Fund-based - LT-Cash Credit	LT	450.00	CARE A+; Stable	-	1)CARE A; Stable (11-Sep-25) 2)CARE A-; Stable (06-Jun-25)	1)CARE A-; Stable (06-Jan-25) 2)CARE A-; Stable (30-May-24)	1)CARE BBB+; Stable (26-Sep-23)
3	Non-fund-based - ST-BG/LC	ST	75.00	CARE A1	-	1)CARE A2+ (11-Sep-25) 2)CARE A2 (06-Jun-25)	1)CARE A2 (06-Jan-25) 2)CARE A2 (30-May-24)	1)CARE A3+ (26-Sep-23)
4	Fund-based - LT-Term Loan	LT	470.00	CARE A+; Stable	-	1)CARE A; Stable (11-Sep-25) 2)CARE A-; Stable (06-Jun-25)	1)CARE A-; Stable (06-Jan-25) 2)CARE A-; Stable (30-May-24)	1)CARE BBB+; Stable (26-Sep-23)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	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
5	Non-fund-based - LT-Bank Guarantee	LT	55.00	CARE A+; Stable	-	1)CARE A; Stable (11-Sep-25) 2)CARE A-; Stable (06-Jun-25)	1)CARE A-; Stable (06-Jan-25) 2)CARE A-; Stable (30-May-24)	1)CARE BBB+; Stable (26-Sep-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Annexure-4: 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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Jatin Arya Director CARE Ratings Limited Phone: 91-120-4452021 E-mail: Jatin.Arya@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saiikat.roy@careedge.in	Shailendra Singh Baghel Associate Director CARE Ratings Limited Phone: 91-120-4452020 E-mail: Shailendra.baghel@careedge.in
	Pranav Bansal Analyst CARE Ratings Limited E-mail: Pranav.bansal@careedge.in

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