

POWERGRID Infrastructure Investment Trust (Revised)

September 30, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Issuer rating	-	0.00	CARE AAA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed issuer ratings assigned to PowerGrid Infrastructure Investment Trust (PGInvIT) at 'CARE AAA; Stable'. Reaffirmation of ratings of POWERGRID Infrastructure Investment Trust (PGInvIT) factors in strength from well-established sponsor and project manager of the Trust (Power Grid Corporation of India Limited, PGCIL, rated CARE AAA; Stable/CARE A1+), which has a rich experience in the power transmission business.

The rating continues to draw strengths from portfolio assets of PGInvIT, comprising five operational power transmission special purpose vehicles (SPVs), having presence in different Indian geographies with strong operating parameters. These assets have a track record of over six years with healthy line availability above normative parameters, robust collection efficiency under point of collection (PoC) mechanism operated by Central Transmission Utility of India Limited (CTUIL) and long-term cash flow visibility with remaining life of ~26 years under transmission service agreements (TSAs). The rating also favourably factors low leverage of PGInvIT leading to strong debt coverage indicators and adequate liquid buffer with presence of debt service reserve account (DSRA) equivalent to one quarter of debt servicing requirements. Debt /enterprise value (EV; per valuation report dated March 31, 2026), remained low at ~12%.

However, the rating is sensitive to operations and maintenance (O&M) risk for five portfolio assets and exposure to interest rate variations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

Negative factors

- External debt exposure exceeding 70% of the trust's asset valuation.
- Lower-than-envisaged availability in SPVs under the trust or significantly increasing operational expenses, adversely impacting cash accruals, and pay-out to the trust.
- Significantly increasing average collection period of SPVs due to delayed collection under shared regulations.

Analytical approach: Consolidated

Business and financial risk profiles of SPVs acquired by the Trust are consolidated. Refer to Annexure-5 for entities consolidated.

Outlook: Stable

Stable outlook reflects ability of SPVs under the Trust to sustain strong availability and collection efficiency leading to strong debt coverage indicators.

Detailed description of key rating drivers

Key strengths

Well-established sponsor and project manager with rich experience in power transmission business

PGCIL operates as one of the chief agencies responsible for planning and developing the country's nationwide power transmission network, including inter-state networks. Despite the extensive network under its management, PGCIL has maintained annual system availability at over 98% (above normative), which enables the company to earn incentive income consistently. PGCIL has

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.

a unitholding of 15% in the trust. PGCIL oversees the trust's project management and operations and maintenance (O&M) of assets housed under the five SPVs.

Portfolio assets of the PGInvIT are operational with low revenue risk and stable cashflow visibility

Portfolio assets comprise five power transmission projects across five Indian states. Projects comprise 11 transmission lines, including six 765-kV transmission lines and five 400-kV transmission lines with a total circuit length of ~3,698.59 ckm, and three substations with 6,630 MVA of an aggregate transformation capacity and 1,955.66 km of optical ground wire. Each portfolio assets have a long-term transmission service agreement (TSA) of 35 years from the scheduled commercial date of operations (SCOD). SPVs are eligible to book an entire contracted tariff for the year if annual availability is equal to or over target availability. If availability is less, the revenue booked is reduced on a proportionate basis. If availability is more, SPVs are eligible for incentives. Revenue is insulated from demand, supply, and price fluctuation of the power tariff. In normal circumstances, outages (which lead to lower availability) are easily identifiable. Per the TSA, availability-based tariff assures a stable cashflow for SPVs.

Strong operational performance of portfolio assets

All five assets have registered availability at higher-than-targeted levels in the last 12 months. This has ensured full recovery of transmission charge and led to incentive income. All SPVs have registered an average availability exceeding 99.75% for FY26 (refers to April 01 to March 31) and Q1FY27 (refers to April 01 to March 31).

Counterparty credit risk diversified and mitigated largely through collection under shared regulations

Portfolio assets have TSAs with over 30 inter-state transmission service (ISTS) customers, geographically diversified in southern, western, northern and central India. 100% annual transmission charges billed by five SPVs are under the Central Electricity Regulatory Commission (CERC) sharing regulations. The Central Transmission Utility of India Limited (CTUIL) manages the process; it bills and collects monthly transmission charges on behalf of all ISTS licensees from all designated ISTS customers. All ISTS licensees are then paid their share of transmission charges from the centrally collected pool by the CTUIL. Hence, this method minimises counterparty risk.

Low leverage

PGInvIT's portfolio assets have no external debt, as on June 30, 2025. Proceeds from the initial public offering (IPO) were utilised towards providing loans to SPVs for pre-payment of existing debt availed. The Trust, on a standalone basis, had debt outstanding of ₹1,064 crore as on March 31, 2026. External borrowing is quite low compared to the reported market value of assets. Total debt (as on March 31, 2026)/EV (per valuation report dated March 31, 2026) stands at ~12%.

Relatively low industry risk in the power transmission business

Transmission projects are protected from demand risk, as the arrangement between the project developer and beneficiary is regulated by the TSA. Transmission charges are billed monthly for usage of transmission line, per TSA-provided availability. TSA is usually for a long-term and provides revenue visibility of the project, subject to maintenance of operational parameters.

Key weaknesses

Moderate O&M risk for portfolio assets

Lower-than-target availability could lead to reduced transmission charges, impacting cashflows of assets, and consequently, the Trust. O&M of all five assets have been managed by PGCIL, through O&M contracts escalated annually. The O&M risk is partially offset by steady past performance of transmission assets and strong experience of the O&M contractor. Price escalations in O&M costs are not expected to materially affect project cashflows, as these costs are a small portion of the revenue generated each year.

Exposure to variation in interest rates

External borrowings with floating interest rates would be subject to interest rate variation with a periodic reset of rates. PGInvIT's cash flow is linked to transmission charges received by SPVs. These charges are fixed. Variation in interest rate might impact debt-servicing of the trust. However, interest expense as a percentage of overall exposure is minimal at this stage due to low leverage.

Liquidity: Strong

PGInvIT's liquidity is characterised as strong due to low leverage and its stable income from interest on loan to the five operational assets and dividend income. As on March 31, 2026, the cash and cash equivalent position of the trust stood at ₹224.31 crore on standalone level. Distribution paying capability has also been demonstrated by declared distribution with cumulative distribution at ₹58.50/unit till FY26. In Q1FY27, it declared distribution

of ₹3/unit. Under the point of connection (PoC) mechanism, average collection period for SPVs is within allowable limits and collection period at InvIT level stood at 19 days for FY26.

Assumptions/Covenants: Not applicable

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

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](#)
[Power- Transmission](#)
[Issuer Rating](#)
[Infrastructure Investment Trusts \(InvITs\)](#)
[Investment Holding Companies](#)
[Consolidation & Combined Approach](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Investment company

PGInvIT was set up by PGCIL as an irrevocable trust pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882. The trust was registered with the Securities and Exchange Board of India (SEBI) on January 07, 2021, as an infrastructure investment trust (InvIT) under InvIT regulations. IDBI Trusteeship Services Limited is the trustee. A Maharatna Central Public Sector Enterprise under the Ministry of Power, Government of India, PGCIL is the sponsor of PGInvIT. POWERGRID Unchahar Transmission Limited (PUTL) has been appointed as the investment manager to the trust, while PGCIL has been appointed as the project manager for the trust.

Particular (Consolidated numbers)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27(UA)
Total operating income	1266.49	1258.03	311.38
PBILDT	1177.88	1170.99	289.71
PAT	1171.89	911.87	185.12
Overall gearing (times)	0.15	0.15	NA
Interest coverage (times)	21.20	15.79	16.40

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

PBILDT: Profit before interest, lease liability, 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
Issuer Rating-Issuer Ratings	-		-	-	-	-	0.00	CARE AAA; 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 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	Issuer Rating-Issuer Ratings	LT	0.00	CARE AAA; Stable	-	1)CARE AAA; Stable (08-Sep-25)	1)CARE AAA; Stable (18-Mar-25)	1)CARE AAA; Stable (14-Mar-24)
2	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE AAA; Stable (08-Sep-25) 2)Withdrawn (08-Sep-25)	1)CARE AAA; Stable (18-Mar-25)	1)CARE AAA; Stable (14-Mar-24)

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](#)

Annexure-5: List of entities consolidated

S. No.	Name of Company	Extent of consolidation	Rationale for Consolidation
1.	Vizag Transmission Limited (VTL)	Full	Wholly owned subsidiary
2.	POWERGRID Warora Transmission Limited (PWTL)		
3.	POWERGRID Parli Transmission Limited (PPTL)		
4.	POWERGRID Jabalpur Transmission Limited (PJTL)		
5.	POWERGRID Kala Amb Transmission Limited (PKATL)		

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.

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