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Bikaner Electricity Supply Limited

July 29, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	155.00	IVR A-; Stable (IVR A Minus with Stable Outlook)	IVR BBB+; Positive (IVR Triple B Plus with Positive Outlook)	Rating Upgraded and outlook revised	Simple
Short Term Bank Facilities	75.00	IVR A2+ (IVR A Two Plus)	IVR A2 (IVR A Two)	Rating Upgraded	Simple
Total	230.00 (INR Two Hundred and Thirty Crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The upgrade in the ratings assigned to the bank facilities of Bikaner Electricity Supply Ltd (BKESL) reflect improvement in its operating performance in FY25 [FY refers to the period from April 1 to March 31], primarily driven by a consistent reduction in Transmission & Distribution (T&D) losses. This has been achieved through several measures undertaken by BKESL to improve its operating efficiency. Further, the ratings continue to derive comfort from strong operational support of its parent company, CESC Ltd. (CESC), long track record of CESC in the power sector, BKESL's belongingness to the reputed RP- Sanjiv Goenka group and presence of highly experienced & qualified management team. The ratings are further underpinned by the exclusive long term power distribution agreement with Jodhpur Vidyut Vitran Nigam Ltd (JDVVNL) for supply of power in Bikaner city of Rajasthan. However, these rating strengths are tempered by prevalence of retail customers limiting the demand growth and high receivables.

The stable outlook reflects the company will maintain a stable business performance in the near to medium term and continue to benefit from the extensive experience of its promoters.

Key Rating Sensitivities:

Upward Factors

- Significant improvement in operating performance with improvement in cash accruals on a sustained basis



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- Improvement in capital structure and debt protection metrics on a sustained basis

Downward Factors

- Deterioration in operating performance impacting the liquidity and debt coverage indicators.
- Deterioration in capital structure with moderation in overall gearing to over 2x.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Long track record of the parent company, CESC, in the power sector**

CESC is having a long track record of operation. It is a vertically integrated power utility engaged in the business of generation, transmission and distribution of electricity to the consumers in its licensed area covering Kolkata and Howrah in West Bengal.

- **Belongingness to the reputed RP-Sanjiv Goenka group and strong parent support**

Kolkata based the RP-Sanjiv Goenka group is one of the leading industrial houses of the country with interest in power generation & distribution, coal, carbon black, retailing, entertainment and BPO business with CESC Ltd. being the flagship company. BKESL is a wholly owned subsidiary of CESC, an established & well performing power utility based out of Kolkata. CESC has a strong financial risk profile with adequate liquidity. BKESL, being a wholly owned subsidiary of CESC, is expected to receive support from its parent as and when required.

- **Highly experienced and qualified management team**

BKESL is managed by highly qualified and experienced employee pool transferred from CESC having strong experience in their related fields. In terms of operation, BKESL has lots of synergy with CESC.

- **Exclusive long term power distribution agreement**

JDVVNL has a distribution license under the provisions of Electricity Act, 2003 to supply electricity in the Eastern part of Rajasthan. For distribution of power in its designated areas, JDVVNL undertook competitive bidding process to select its distribution franchises. For Bikaner city area, JDVVNL selected CESC Ltd from the bidding process. CESC designated, BKESL, as a special purpose vehicle (SPV) in order to discharge its obligations as a distribution franchise. In this regard, the Distribution Franchise Agreement



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(DFA) was signed in March 2017 with a validity of 20 years. BKESL has the exclusive right to distribute power in Bikaner city of Rajasthan.

- **Improvement in operating performance in FY25**

In FY25, BKESL's total operating income has increased by ~15% on a y-o-y basis to Rs. 783.47 crore supported by reduction in T&D losses. The company started its operation in May, 2017 and reported losses till FY19 due to high level of T&D losses and other operational stabilization issues. However, under the guidance of CESC group, BKESL's operations turned profitable in FY20. The company has been able to reduce T&D loss due to several measures undertaken by company to improve the efficiency of the network and reduce thefts and unmetered sales. T&D loss has reduced from 12.47% in FY24 to 11.96% in FY25. Debt coverage indicators marked by interest coverage ratio stood at 5.23x in FY25 (3.61x in FY24).

Key Rating Weaknesses

- **Domestic customer driven consumption mix**

With a large urban/ semi urban profile of the license area, BKESL has higher proportion of domestic customers in its consumer mix. Higher proportion of domestic customers limits the growth potential to an extent due to lower possibility of extensive growth in power consumption in near term.

- **High receivables**

BKESL has more than six months receivable of about Rs. 61.30 crore as on March 31, 2025. BKESL is operating with billing efficiency of 88.04% in FY25 (87.53% in FY24) and overall collection efficiency of about 97.35% in FY25 (107.92% in FY24).

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria Of Assigning Rating Outlook](#)

[Criteria on complexity](#)

[Policy of default recognition](#)



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Liquidity – Adequate

The liquidity of the company is expected to remain adequate marked by its adequate expected gross cash accruals to support its debt obligations in the near term, Further, the liquidity of the company is also backed by demonstrated support from the parent, CESC Ltd having highly comfortable liquidity position with high cash balances and liquid investments.

About the Company

Bikaner Electricity Supply Limited (BKESL - erstwhile Water Hyacinth Commosale Private Limited), incorporated in May 05, 2012, is a wholly owned subsidiary of CESC Ltd (CESC) belonging to Kolkata-based RP-Sanjiv Goenka group. The RP - Sanjiv Goenka group is one of the leading industrial houses of the country with interest in power generation & distribution, coal, carbon black, retailing, entertainment and BPO business. JDVVNL has a distribution license under the provisions of Electricity Act, 2003 to supply electricity in the western and north-western part of Rajasthan. JDVVNL undertook competitive bidding process to select its distribution franchises. For Bikaner city area, JDVVNL selected CESC Ltd from the bidding process. CESC designated, BKESL, as a special purpose vehicle (SPV), in order to discharge its obligations as a distribution franchise. In this regard, the Distribution Franchise Agreement (DFA) was signed in March, 2017. BKESL is engaged in electricity distribution operation in Bikaner city from May, 2017 as a distribution franchisee of JDVVNL. BKESL is sourcing power from JDVVNL as per the stated rates in DFA and selling the power to customers under its command area as per tariff order issued by RERC.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	682.85	783.47
EBITDA	37.56	45.92
PAT	17.80	22.17
Total Debt	71.83	43.68
Tangible Net Worth	153.74	175.87
EBITDA Margin (%)	5.50	5.86
PAT Margin (%)	2.59	2.81
Overall Gearing Ratio (x)	0.47	0.25
Interest Coverage (x)	3.61	5.23

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil



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Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					May 09, 2024	-	Feb 10, 2023
1.	Cash Credit	Long Term	25.00	IVR A-; Stable	IVR BBB+/ Positive	-	IVR BBB+/ Stable
2.	Bank Guarantee	Long Term	130.00	IVR A-; Stable	IVR BBB+/ Positive	-	IVR BBB+/ Stable
3.	Term Loan	Long Term	-	-	Withdrawn	-	IVR BBB+/ Stable
4.	Overdraft	Short Term	75.00	IVR A2+	IVR A2	-	IVR A2

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About Infomerics:

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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	25.00	IVR A-; Stable
Bank Guarantee	-	-	-	-	130.00	IVR A-; Stable
Overdraft	-	-	-	-	75.00	IVR A2+

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-Bikaner-Electricity-jul25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com