



Press Release

Rajasthan Rajya Vidyut Utpadan Nigam Limited

April 28, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	1850.00	IVR C/ Stable (IVR C; with Stable Outlook)	IVR C/ Stable (IVR C; with Stable Outlook)	Rating Reaffirmed	Simple
Long Term Non-Convertible Debentures	745.00	IVR C/ Stable (IVR C; with Stable Outlook)	IVR C/ Stable (IVR C; with Stable Outlook)	Rating Reaffirmed	Simple
Short Term Bank Facilities	150.00	IVR A4 (IVR A Four)	IVR A4 (IVR A Four)	Rating Reaffirmed	Simple
Total	2745.00	Rupees Two Thousand Seven Hundred Forty Five Crore Only			

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has reaffirmed long term rating to IVR C with a Stable outlook and short-term rating to A4 for the bank loan facilities and non-convertible debentures of Rajasthan Rajya Vidyut Utpadan Nigam Limited (RRVUNL).

The rating continues draws comfort from wholly owned by Government of Rajasthan, established track record of operations and experienced management, long term FSA for thermal and gas plants, long term power purchase agreement and comfortable financial profile of Government of Rajasthan. However, these strengths are partially offset by delay in servicing debt obligations, high receivable levels, weak debt protection metrics and high gearing and highly capital-intensive nature of operations.

The 'Stable' outlook indicates utilities nature of business with assured offtake by way of long-term power purchase agreement with state discoms.

IVR has principally relied on the standalone audited financial results of RRVUNL upto 31 March 2024 (refers to period April 1st, 2023, to March 31, 2024) results, 9MFY25 unaudited results and projected financials for FY2025-FY2027, and publicly available information/clarifications provided by the trust's management.



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Key Rating Sensitivities:

Upward Factors

- Consistent delay free track record of debt servicing
- Substantial improvement in credit profile of the off taker along with timely realization of receivables on sustained basis
- Improvement in overall operational performance and debt protection metrics

Downward Factors

- Weakening of credit profile off-taker resulting in an elongated collection period
- Delay in meeting the debt obligations of rated facilities.
- Deterioration in operational performance, debt protection metrics and overall gearing

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Wholly owned by the Government of Rajasthan:**
RRVUNL is wholly owned by Government of Rajasthan (GoR). Considering the strategic importance of power sector to the state government, it has extended support in the past which is likely to continue in future too.
- **Established track record of operations and experienced management:**
The company commenced its operations in July 2000 and has a successful track record of more than two decades in the existing line of business. Overall activities of RRVUNL are managed by GoR nominated administrators and professionals with several decades of experience in power generation industry. They are ably supported by qualified and well experienced management team.
- **Long term FSA for thermal and gas plants:**
The installed capacity of RRVUNL 8,597.35 megawatt (MW) comprising of 7,830 MW of thermal, 603.50 MW gas and 163.85 MW of hydro power stations. RRVUNL has long term fuel supply arrangement (FSA) with South-eastern Coalfields Limited (SECL) & Northern Coalfields Limited (NCL), Parsa Kente Collieries Limited (PKCL) for its entire requirement of coal for thermal plants. Moreover, it has obtained allocation of coal blocks for captive mining in the state of Chhattisgarh, namely, Parsa East and Kanta Basan coal blocks. For gas-based power plants the gas supplies are from Gail India Limited (GIL), Oil India Limited (OIL) and Oil and Natural Gas Corporation Limited (ONGC). This protects the company from any major fluctuations in fuel cost.



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- **Long term power purchase agreement:**

The company has long term PPA's ensuring guaranteed offtake with the Rajasthan discoms namely Ajmer Vidyut Vitran Nigam Limited (AVVNL), Jaipur Vidyut Vitran Nigam Limited (JVVNL) and Jodhpur Vidyut Vitran Nigam Limited (JDVVNL). The availability-based tariff under PPA is on a two-part basis (capacity and energy charges) which are determined on the basis of Rajasthan Electricity Regulatory Commission (RERC) guidelines.

- **Comfortable financial profile of Government of Rajasthan:**

The budget 2024-25 (R.E.) of the State was presented with budget surplus of Rs. 106.92 crore. This indicates that it has been able to manage the state finances in a better manner than its peer states. Also, the fiscal deficit as percentage of GSDP of Rajasthan stood at 4.10% was lower than that of the national average. For the financial year 2025-26 (R.E) total receipts (excluding borrowing) stood at Rs. 4,98,954.14 crore.

Key Rating Weaknesses

- **Delays in servicing the debt obligations:**

The auditor in its report of FY2024 has reported the instances of delays in debt servicing by the company. The delays have been on term loans from financial institutions (not rated by us). However, as per the recent feedback from various bankers/NBFC the company is timely servicing its debts for past 7 months. Given that the company's internal accruals and reserves are insufficient to meet these obligations, it has been depending on support from the GoR and external loans from financial institutions.

- **High receivable levels:**

RRVUNL has been supplying power Rajasthan discoms namely AVVNL, JVVNL and JDVVNL. It has continued to report high outstanding receivables levels in last three years. The outstanding receivables stood at Rs. 22,815.53 crore in FY2022 and Rs. 11,244.45 crore in FY2023. The levels have come down to Rs. 2,324.41 crore as on 31st March 2024. Out of said receivables Rs. 1,513.19 crore were receivable outstanding for less than six months and Rs. 811.22 crore were receivable outstanding for more than six months from the three discoms. Due to delays in receivables, it is impacting the cash flows of the company, the company has defaulted on its debt repayment obligations to the financial institutions. However, after implementation of Late Payment Surcharge (LPS) scheme by the central government in June 2022, RRVUNL has been receiving dues from the discoms and has been regular in servicing its debt obligations from November 2022 onwards.



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- **Weak debt protection metrics and high gearing:**

The overall gearing of the company stood high at -2.29x in FY2024. The company has continuously been reporting weak debt protection metrics with DSCR below unity for last three years. For meeting the shortfall in the debt obligations, RRVUNL has relied on support from the GoR and external loans from financial institutions.

- **Highly capital-intensive nature of operations:**

By virtue of its business, RRVUNL's operation continues to be capital intensive. In order to maintain operational efficiencies (i.e., replacing old power plant units and modernisation of the existing plant units), the company would have to incur regular operational capital expenditure. As a result, increase in term borrowings of the company might impact the overall financial risk profile. The company is planning to set up 2000 MW of solar plant. Furthermore, the company is required to undertake installation of flue gas desulphurisation (FGD) on all its thermal power plants and the same is expected to be largely debt funded which shall further impact the capital structure of the company.

Analytical Approach: For arriving at the ratings, IVR has analysed RRVUNL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

[Rating Methodology – Infrastructure Companies](#)
[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)
[Parent & Group Support](#)
[Policy on Default Recognition](#)
[Complexity Level of Rated Instruments/Facilities](#)
[Criteria of Assigning rating outlook](#)

Liquidity – Poor

The company has a poor liquidity position. There are long-term secured borrowings from banks, amounting to Rs. 35,684.14 crore, as on 31st March 2024. Against a current portion of long-term debt (CPLTD) of Rs 6,000.47 crore in FY2024. In projected years from FY2025-FY2027 it will not generate adequate cash accruals to meet its debt obligations. The company had a cash accrual of Rs. -1,325.03 crore in FY2024. The company has free cash and cash equivalents of Rs. 153.24 crore as 31st March 2024. The servicing of debt obligation of the company is dependent on support from Government of Rajasthan in form tariff subsidy and grants and external loans.



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About the Entity

Rajasthan Rajya Vidyut Utpadan Nigam Limited (RRVUNL) has been entrusted with the job of development of power projects under state sector, in the state along with operation & maintenance of state-owned power stations. The government of Rajasthan constituted the RRVUNL on 19th July 2000. RRVUNL is playing a leading role in giving highest priority to the power generation for manifold and rapid development of the state. Presently it generates power through Coal, Gas and Hydro as fuel from its 8 power stations. The present installed capacity of RRVUNL is 8,597.35 MW.

Financials (Standalone):

(Rs. crore)

For the year ended as on	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	18,368.68	19,845.49
EBITDA	2,922.25	2,307.36
PAT	-6,277.59	-13,059.94
Total Debt	40,643.15	36,719.18
Tangible Network	-2,951.39	-16,001.92
EBITDA Margin (%)	15.91	11.63
PAT Margin (%)	-32.04	-64.73
Overall Gearing Ratio (x)	-13.77	-2.29
Interest Coverage Ratio (x)	0.62	0.58

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Type of Instrument/Facility	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 29 April 2024	Date(s) & Rating(s) assigned in 2023-24 03 May 2023	Date(s) & Rating(s) assigned in 2022-23
1.	Fund Based	Long Term	900.00	IVR C/Stable	IVR C/Stable	IVR C/Stable	-
2.	Fund Based-Proposed	Long Term	950.00	IVR C/Stable	IVR C/Stable	IVR C/Stable	-



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Sr. No.	Type of Instrument/Facility	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
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3.	Fund Based-NCD	Long Term	595.00	IVR C/Stable	IVR C/Stable	IVR C/Stable	-
4.	Fund Based-NCD Proposed	Long Term	150.00	IVR C/Stable	IVR C/Stable	IVR C/Stable	-
5.	Non-Fund Based	Short Term	150.00	IVR A4	IVR A4	IVR A4	-

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

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Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit (CC)	-	-	-	900.00	IVR C/Stable
Proposed-CC	-	-	-	950.00	IVR C/Stable
Bank Guarantee	-	-	-	150.00	IVR A4
NCD-I (ISIN: INE891F08018)	24-10-2014	9.00	24-12-2026	385.00	IVR C/Stable
NCD-II (ISIN: INE891F08026)	26-03-2015	8.74	26-03-2027	210.00	IVR C/Stable
Proposed-NCD	-	-	-	150.00	IVR C/Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-rajasthanrajya-utpadan-apr25.pdf>

Annexure 3: Detailed explanation of covenants of the rated securities/facilities:

NCD I and II	
Name of Instrument	Detailed Explanation
Financial Covenant	Nil
Rating Covenant	Nil
Non-Financial Covenant	<ul style="list-style-type: none"> -Debentures/Bonds is secured by unconditional and irrevocable guarantee of state of Government of Rajasthan for timely repayment of principal and interest. -The bonds are listed on NSE/BSE -Escrow account maintained with Axis Bank



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	-Interest payment to be deposited 4 business days prior to due date of payment
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Proposed NCD	
Name of Instrument	Detailed Explanation
Financial Covenant	Nil
Rating Covenant	Nil
Non-Financial Covenant	-Debentures/Bonds shall be secured by unconditional and irrevocable guarantee of state of Government of Rajasthan for timely repayment of principal and interest.

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 [Complexity Level of Rated Instruments/Facilities](#).