

Rajasthan Rajya Vidyut Utpadan Nigam Limited

November 06, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10,228.35	CARE D	Revised from CARE C
Short Term Bank Facilities	185.00	CARE D	Revised from CARE A4

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUNL) takes into account the ongoing delays in servicing of debt obligations of bank facilities rated by CARE Ratings Limited (CARE Ratings) in October 2023, as indicated by the no-default statement for the month of October 2023 shared by the company.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Establishing a track record of timely servicing of debt obligations for a period of at least 90 days

Negative factors

- Not applicable

Analytical approach: Consolidated. The company has operational synergies with its subsidiaries and joint ventures (JVs); hence, a consolidated approach has been considered. The list of entities getting consolidated is as per **Annexure-6**.

Outlook: Not applicable

Detailed description of the key rating drivers

Key weaknesses

On-going delays in debt servicing

As per the no-default statement for the month of October 2023 received from the company and interaction with lender, there are ongoing delays in servicing of debt obligations of bank facilities rated by CARE Ratings as well as for debt facilities availed from other lenders (not rated by CARE Ratings).

Liquidity: Poor

The liquidity position of RVUNL stood poor, marked by elongated receivables period on account of significant delays in receipt of dues and large outstanding receivables from the Rajasthan discoms for the power supplied to them. However, there is an improvement in the collection period in FY23 on account of realisation of significant amount of receivables under the LPS scheme. Despite improvement, the operating cycle stood high at around 284 days at FY23-end as against 497 days at FY22-end. The company has sanctioned fund-based working capital limits of ₹1,100 crore and the average utilisation of the same stood at around 88% during the 12 months ended July 2023, with maximum utilisation of around 100%.

Applicable criteria

[Rating Outlook and Rating Watch](#)

[Policy on Default Recognition](#)

[Policy On Curing Period](#)

[Short Term Instruments](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Consolidation](#)

[Factoring Linkages Government Support](#)

[Infrastructure Sector Ratings](#)

[Thermal Power](#)

[Financial Ratios – Non-Financial Sector](#)

[Policy on Withdrawal of Ratings](#)

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Utilities	Power	Power	Power Generation

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

RVUNL is an unbundled state power generation company of the erstwhile RSEB. As per the Rajasthan Power Sector Reforms Act, 1999 of GoR, the erstwhile RSEB was unbundled into a generation company, a transmission company, and three discoms w.e.f. July 19, 2000. RVUNL was incorporated as the sole generation company, Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL), the sole transmission company, and three discoms were incorporated in the name of Ajmer Vidyut Vitran Nigam Limited (AVVNL; rated 'CARE BBB+ (CE); Stable/Unsupported Rating: CARE BB'), Jodhpur Vidyut Vitran Nigam Limited (JVVNL; rated 'CARE BBB+ (CE); Stable/Unsupported Rating: CARE BB'), and Jaipur Vidyut Vitran Nigam Limited (JVJNL; rated 'CARE BBB+ (CE); Stable/Unsupported Rating: CARE BB'). RVUNL is engaged into generation of power through its power plants located across the state of Rajasthan under its standalone operations as well as under its subsidiaries.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	16,834	19,558
PBILDT	5,322	4,101
PAT	(1,972)	(6,250)
Overall gearing (times)	14.03	NM
Interest coverage (times)	1.03	0.82

A: Audited; NM: Not Meaningful. The above financials have been adjusted as per CARE Ratings' criteria.

Note: The above results are the latest financial results available.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments/facilities rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument/Bank Facilities	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	200.00	CARE D
Fund-based - LT-Term Loan	-	-	-	September 2028	2162.84	CARE D
Fund-based - LT-Term Loan	-	-	-	**	3617.28	CARE D
Fund-based - LT-Term Loan	-	-	-	July 2026	4248.23	CARE D
Non-fund-based - ST-BG/LC	-	-	-	-	185.00	CARE D

**Proposed term loan

Annexure-2: Rating history for the 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 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term Loan	LT	4248.23	CARE D	1)CARE C (09-Oct-23) 2)CARE C (01-Jun-23)	1)CARE D (08-Dec-22)	1)CARE D (05-Jan-22) 2)CARE BBB+ (CE); Negative (11-Aug-21)	1)CARE BBB+ (CE); Negative (16-Dec-20) 2)CARE BBB+ (CE); Negative (07-Jul-20) 3)CARE BBB+ (CE); Negative (30-Apr-20)
2	Fund-based - LT-Cash Credit	LT	200.00	CARE D	1)CARE C (09-Oct-23)	1)CARE BBB+ (CE); Stable (08-Dec-22)	1)CARE BBB+ (CE); Negative (05-Jan-22)	1)CARE BBB+ (CE); Negative (16-Dec-20)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
							2)CARE BBB+ (CE); Negative (11-Aug-21)	2)CARE BBB+ (CE); Negative (07-Jul-20) 3)CARE BBB+ (CE); Negative (30-Apr-20)
3	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)CARE BBB+ (CE); Negative (30-Apr-20) 2)Withdrawn (30-Apr-20)
4	Fund-based - LT-Term Loan	LT	2162.84	CARE D	1)CARE C (09-Oct-23) 2)CARE C (01-Jun-23)	1)CARE D (08-Dec-22)	1)CARE D (05-Jan-22) 2)CARE BBB+ (CE); Negative (11-Aug-21)	1)CARE BBB+ (CE); Negative (16-Dec-20) 2)CARE BBB+ (CE); Negative (07-Jul-20) 3)CARE BBB+ (CE); Negative (30-Apr-20)
5	Fund-based - LT-Term Loan	LT	3617.28	CARE D	1)CARE C (09-Oct-23) 2)CARE C (01-Jun-23)	1)CARE D (08-Dec-22)	1)CARE D (05-Jan-22) 2)Provisional CARE BBB+ (CE); Negative (11-Aug-21)	1)Provisional CARE BBB+ (CE); Negative (16-Dec-20) 2)Provisional CARE BBB+ (CE); Negative (07-Jul-20) 3)Provisional CARE BBB+ (CE); Negative (30-Apr-20)
6	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST *	-	-	-	-	-	1)Withdrawn (30-Apr-20) 2)CARE BBB+ (CE); Negative / CARE A3+ (CE) (30-Apr-20)
7	Un Supported Rating-Un Supported Rating (Long Term)	LT	-	-	1)Withdrawn (09-Oct-23)	1)CARE D (08-Dec-22)	1)CARE D (05-Jan-22) 2)CARE D (11-Aug-21)	1)CARE D (16-Dec-20) 2)CARE D (07-Jul-20) 3)CARE D / CARE D (30-Apr-20) 4)CARE D (30-Apr-20)
8	Non-fund-based - ST-BG/LC	ST	185.00	CARE D	1)CARE A4 (09-Oct-23)	1)CARE A3+ (CE) (08-Dec-22)	1)CARE A3+ (CE) (05-Jan-22) 2)CARE A3+ (CE) (11-Aug-21)	1)CARE A3+ (CE) (16-Dec-20) 2)CARE A3+ (CE) (07-Jul-20)
9	Un Supported Rating-Un Supported Rating (Short Term)	ST	-	-	1)Withdrawn (09-Oct-23)	1)CARE D (08-Dec-22)	1)CARE D (05-Jan-22) 2)CARE D	1)CARE D (16-Dec-20) 2)CARE D

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
							(11-Aug-21)	(07-Jul-20)

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities

Not Applicable

Annexure-4: Complexity level of the various instruments/facilities rated

Sr. No.	Name of the Instrument/Bank Facilities	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated into RVUNL

Name of the Entity	Subsidiary / Joint Venture	% Shareholding (As on March 31, 2023)
Chhabra Power Limited	Subsidiary	100.00%
Dholpur Gas Power Limited	Subsidiary	100.00%
Giral Lignite Power Limited	Subsidiary	100.00%
Parsa Kente Collieries Limited	Joint Venture	26.00%
Rajasthan Collieries Limited	Joint Venture	26.00%

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

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About us:

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