

Rajasthan Rajya Vidyut Utpadan Nigam Limited (Revised)

January 28, 2025

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

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation in the ratings assigned to the bank facilities of Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUNL) takes into account the recent delays in servicing of debt obligations of bank facilities not rated by CARE Ratings Limited (CARE Ratings) in Aug 2024, as indicated by the no-default statement for the month of Aug 2024 shared by the company and poor liquidity.

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 key rating drivers:

Key weaknesses

Recent delays in debt servicing: In August 2024, the company submitted a NDS indicating continued delays with REC (not rated by CARE Ratings). Although the account was regularized on September 20, 2024, with the full overdue amount cleared, the company continues to face significant liquidity challenges. Its ability to meet debt obligations is heavily reliant on support from the Government of Rajasthan (GoR) and external loans. The company has a total repayment liability of approximately Rs 4,500 crore for interest and Rs 6,500 crore for principal repayment. 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. Considering the history of delayed payments and the increased financial burden, CARE Ratings believes the risk of future defaults remains high.

Liquidity: Poor

As of March 31, 2024 and Sept 30, 2024, the company held only Rs 38.33 crore and 116 crore respectively in cash and cash equivalents, highlighting the depth of its liquidity stress. The company has sanctioned fund-based working capital limits of Rs 1,100 crore, with an average utilization of about 88% over the 12 months ending September 2024, and a peak utilization of approximately 92%. 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.

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

Applicable criteria

[Policy on Default Recognition](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Infrastructure Sector Ratings](#)
[Short Term Instruments](#)
[Rating Credit Enhanced Debt](#)
[Thermal Power](#)
[Notching by Factoring Linkages with Government](#)
[Consolidation](#)
[Policy On Curing Period](#)
[State Governments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

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 (JoVVNL; rated 'CARE BBB (CE); Stable/Unsupported Rating: CARE BB-'), and Jaipur Vidyut Vitran Nigam Limited (JVVNL; 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)- Consolidated	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	18,371.55	19,861.20
PBILDT	2,927.34	2,316.75
PAT	-6,251.81	-13,059.94
Overall gearing (times)	-14.03	-2.29
Interest coverage (times)	0.62	0.58

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

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	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		-	-	-	200.00	CARE D
Fund-based - LT-Term Loan		-	-	October 2027	2162.84	CARE D
Fund-based - LT-Term Loan		-	-	-	3617.28	CARE D
Fund-based - LT-Term Loan		-	-	March 2028	4248.23	CARE D
Non-fund-based - ST-BG/LC		-	-	-	185.00	CARE D

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 2024-2025	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
1	Fund-based - LT-Term Loan	LT	4248.23	CARE D	-	1)CARE D (06-Nov-23) 2)CARE C (09-Oct-23) 3)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)
2	Fund-based - LT-Cash Credit	LT	200.00	CARE D	-	1)CARE D (06-Nov-23) 2)CARE C (09-Oct-23)	1)CARE BBB+ (CE); Stable (08-Dec-22)	1)CARE BBB+ (CE); Negative (05-Jan-22) 2)CARE BBB+ (CE); Negative (11-Aug-21)
3	Fund-based - LT-Term Loan	LT	2162.84	CARE D	-	1)CARE D (06-Nov-23) 2)CARE C (09-Oct-23) 3)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)
4	Fund-based - LT-Term Loan	LT	3617.28	CARE D	-	1)CARE D (06-Nov-23) 2)CARE C	1)CARE D (08-Dec-22)	1)CARE D (05-Jan-22)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	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
						(09-Oct-23) 3)CARE C (01-Jun-23)		2)Provisional CARE BBB+ (CE); Negative (11-Aug-21)
5	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)
6	Non-fund-based - ST-BG/LC	ST	185.00	CARE D	-	1)CARE D (06-Nov-23) 2)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)
7	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 (11-Aug-21)

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: Complexity level of instruments rated

Sr. No.	Name of the Instrument	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

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Chabbra Power Limited	Full	Subsidiary
2.	Dholpur Gas Power Limited	Full	Subsidiary
3.	Giral Lignite Power Limited	Full	Subsidiary
4.	Parsa Kente Collieries Limited	Full	Joint Venture
5.	Rajasthan Collieries Limited	Full	Joint Venture

Note on complexity levels of rated instruments: CARE 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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