RATING RATIONALE **04 April 2023**

RAJASTHAN RAJYA VIDYUT PRASARAN NIGAM LTD.

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of Rs. 6000 Crs. and NCDs/Bonds of Rs. 2235.78 Crs. of Rajasthan Rajya Vidyut Prasaran Nigam Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facilities**	Amount (Rs. Crs.)		Tenure	Rating^	
	Previous	Present		Previous (05 Apr 2022)	Present
NCDs/Bonds	2235.78	**2235.78**	Long Term	BWR A-(CE)/ Negative Reaffirmation	**BWR BBB+(CE)/ Negative ISSUER NOT COOPERATING*/ Downgrade@@**
Bank Loan - Fund Based	2169.93	**2169.93**	Long Term	BWR A-(CE)/ Negative Assignment	**BWR BBB/Negative ISSUER NOT COOPERATING*/ Downgrade@**
Bank Loan - Fund Based (Sanctioned)	1000.00	**1000.00**	Long Term	BWR A-(CE)/ Negative Reaffirmation	**BWR BBB/Negative ISSUER NOT COOPERATING* /Downgrade@**
Bank Loan - Fund Based (Proposed)	2803.07	**2803.07**	Long Term	BWR A-(CE)/ Negative Assignment	**BWR BBB/Negative ISSUER NOT COOPERATING* /Downgrade@**
FB – CC	20.00	**20.00**	Long Term	BWR BBB/Stable Reaffirmation	**BWR BBB-/Negative ISSUER NOT COOPERATING* /Downgrade**
NFB - LC/BG	7.00	**7.00**	Short Term	BWR A3+ Reaffirmation	**BWR A3 ISSUER NOT COOPERATING* /Downgrade**
Total	8235.78	**8235.78**	**Rupees Eight Thousand Two Hundred and Thirty Five Crores and Seventy Eight Lakhs Only**		

^Please refer to Brickwork Ratings (BWR) website **www.brickworkratings.com** for the definition of the ratings
*Issuer did not cooperate; based on best available information
** Details of bank loan facilities are provided in Annexures-I
@Revision in analytical approach from CE to standalone.

@@ The supported rating is based on a Credit Enhancement (CE) in the form of an "Enforceable, Unconditional and Irrevocable Guarantee" provided by the Government of Rajasthan for the guaranteed Bonds / NCDs which is in compliance with evaluation criteria/mechanism stipulated by the SEBI Circular dated 28 Sep 2022. The Unsupported (Standalone) rating as assessed by BWR without considering the credit enhancement is BWR BBB-/Negative/A3.

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Bank loan and NCD/Bond ratings of Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RRVPNL) were due for a review in April 2023. Brickwork Ratings (BWR) has taken up with the company through emails and telephone calls to provide financial and operational information for the periodic monitoring and surveillance of the ratings. Despite the best efforts of BWR to get the required information for a review, the company has not shared the requisite information. Due to the lack of management cooperation and in the absence of adequate information from the company, BWR is unable to assess the company's performance, its ability to service its debt and maintain a valid rating.

The rating action also aligns BWR's ratings with the latest Reserve Bank of India's (RBI) revised guidelines on 'Credit Ratings supported by Credit Enhancement (CE) for Bank loans' vide its Guidance Note (GN) dated 22 Apr 2022 read with FAQs dated 26 July 2022 with respect to Bank Loan Ratings. BWR notes that the Guarantee of Government of Rajasthan (GoR) does not meet the evaluation criteria/mechanism stipulated by the Guidance Note and the FAQ document issued by the RBI. In compliance with the aforesaid regulatory guidance, BWR would not be considering the benefit of a guarantee (for the bank loan ratings) that does not meet the revised rating criteria. However, the presence of such a guarantee continues to represent a strong expression of commitment on the part of the guarantee provider.

Hence, based on extant regulatory guidelines, non-cooperation by the company, and the best available information, BWR has downgraded the ratings of government guaranteed backed NCDs/Bonds to BWR BBB+ (CE)/Negative, ratings of government guaranteed bank loan facilities to BWR BBB/Negative/A3+, rating of unguaranteed bank loan facilities to BWR BBB-/Negative/A3, and migrated them the ISSUER NOT COOPERATING* category.

**Issuer did not cooperate; based on best available information*

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

ABOUT THE ENTITY

Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPN) was established in 2000 by the Government of Rajasthan under the provisions of the Rajasthan Power Sector Reforms Act, 1999, as the successor company of RSEB. The Rajasthan Electricity Regulatory Commission (RERC) has granted RRVPN a licence for transmission and bulk supply in the state. RRVPN owns, builds, maintains and operates the high-voltage electric transmission system. RRVPN also owns the shared generating projects as a representative of erstwhile RSEB. RRVPN's customers include electricity generators, distribution companies and open access consumers for the delivery of power from the point of generation to the inter-phase point of Discoms, enabling them to supply power to end-consumers. It is also responsible for the intra-state transmission of electricity through the intra-state transmission system and creation of new EHV lines and grid substations of 765 kV/400 kV/220 kV/132 kV rating, including their maintenance and augmentation.

(as per the information shared during April 2022 rating review)

KEY FINANCIAL INDICATORS (Standalone) – ISSUER

Key Parameters	Units	FY21	FY22	9MFY23
Result Type		**Audited**	**Audited**	**Unaudited**
Operating Revenue	Rs. Crs.	3204.43	3094.53	2530.47
EBITDA	Rs. Crs.	1906.03	1659.97	1482.20
PAT	Rs. Crs.	102.27	(188.27)	(229.03)
Tangible Net Worth	Rs. Crs.	3194.09	3391.82	NA
Total Debt/TNW	Times	4.15	3.85	NA
Current Ratio	Times	1.05	1.25	NA

KEY FINANCIAL INDICATORS – GoR (Guarantee Provider)
Rajasthan government's total receipts for 2019-20 (actuals) are at Rs. 187256 Crs as against Rs. 190898 Crs for 2018-19. The total expenditure for 2019-20 was at Rs. 213491 Crs against Rs. 204439 Crs for 2018-19. The revenue deficit for the next financial year is estimated at Rs. 41722 Crs, or 4.36% of the GSDP. The fiscal deficit is estimated at Rs. 58608 Crs (6.12% of GSDP).
The outstanding liabilities for FY21 are expected at 49.15% of the GSDP. The guarantees outstanding stood at 6.64% of the GSDP, indicating inability to comply with FRBM guidelines. The state's revenue deficit widened in FY20 at 3.64% (as against 3.07% in FY19); the fiscal deficit is at 5.24% of GSDP for FY20. The state's revenue deficit for RE 2020-21 is estimated at Rs. 41722 Crs, or 4.36% of the GSDP. The fiscal deficit is estimated at Rs. 58608 Crs in RE 2020-21 (6.12% of the GSDP).

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY:

Not applicable

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]:

Sl. No.	Instrument	Current Rating (April 2023)			Rating History					
	NCD/ Bank Loan	Type	Amount Rated (Rs. Crs.)	Rating	2022		2021		2020	
					Date	Rating	Date	Rating	Date	Rating
1	**NCD/Bonds - Multiple**	Long Term	2235.78	**BWR BBB+ (CE)/Negative ISSUER NOT COOPERATING*/ Downgrade**	05 Apr 2022	BWR A-(CE)/ Negative	22 Jan 2021	BWR A-(CE)/ Stable	19 May 2020	BWR A-(CE)/ Stable
							17 Feb 2021	BWR A-(CE)/ Stable	30 Sept 2020	BWR A-(CE) (Stable)
							10 May 2021	BWR A-(CE)/ Negative	-	-
							26 Nov 2021	BWR A-(CE)/ Negative	-	-
2	**Fund Based – CC - SBI**	Long Term	20.00	**BWR BBB-/Negative ISSUER NOT COOPERATING*/ Downgrade**	05 Apr 2022	BWR BBB/Stable	22 Jan 2021	BWR BBB/ Stable	19 May 2020	BWR BBB (Stable)
							17 Feb 2021	BWR BBB/ Stable	30 Sept 2020	BWR BBB (Stable)
							10 May 2021	BWR BBB/ Stable		
							26 Nov 2021	BWR BBB/ Stable		
3	**Non-Fund Based – LC/ BG - SBI**	Short Term	7.00	**BWR A3 ISSUER NOT COOPERATING*/ Downgrade**	05 Apr 2022	BWR A3+	22 Jan 2021	BWR A3+	19 May 2020	BWR A3+
							17 Feb 2021	BWR A3+	30 Sept 2020	BWR A3+
							10 May 2021	BWR A3+	-	-
							26 Nov 2021	BWR A3+	-	-
4	**Fund Based – TL - Punjab and Sind Bank^**	Long Term	99.93	**BWR BBB/Negative ISSUER NOT COOPERATING*/ Downgrade@**	05 Apr 2022	BWR A-(CE)/ Negative	22 Jan 2021	BWR A-(CE)/ Stable	19 May 2020	BWR A-(CE) (Stable)
							17 Feb 2021	BWR A-(CE)/+ Stable	30 Sept 2020	BWR A-(CE) (Stable)
							10 May 2021	BWR A-(CE)/ Negative	-	-
							26 Nov 2021	BWR A-(CE)/ Negative	-	-
5	**Fund Based - TL - Indian Bank^**	Long Term	300	**BWR BBB/Negative ISSUER NOT COOPERATING*/ Downgrade@**	05 Apr 2022	BWR A-(CE)/ Negative	22 Jan 2021	BWR A-(CE)/ Stable	19 May 2020	BWR A-(CE) (Stable)
							17 Feb 2021	BWR A-(CE)/ Stable	30 Sept 2020	BWR A-(CE) (Stable)
							10 May 2021	BWR A-(CE)/ Negative	-	-
							26 Nov 2021	BWR A-(CE)/ Negative	-	-
6	**Fund Based -TL - Indian Bank^**	Long Term	500	**BWR BBB/Negative ISSUER NOT COOPERATING*/ Downgrade@**	05 Apr 2022	BWR A-(CE)/ Negative	22 Jan 2021	BWR A-(CE)/ Stable	19 May 2020	NA
							17 Feb 2021	BWR A-(CE)/ Stable	30 Sept 2020	BWR A-(CE) (Stable)
							10 May 2021	BWR A-(CE) /Negative	-	-
							26 Nov 2021	BWR A-(CE)/ Negative	-	-

7	**Fund Based - WCTL - Bank of India^**	Long Term	500	**BWR BBB/Negative ISSUER NOT COOPERATING*/ Downgrade@**	05 Apr 2022	BWR A-(CE)/ Negative	22 Jan 2021	BWR A-(CE)/ Stable	19 May 2020	NA
							17 Feb 2021	BWR A-(CE)/ Stable	30 Sept 2020	NA
							10 May 2021	BWR A-(CE)/ Negative	-	-
							26 Nov 2021	BWR A-(CE)/ Negative	-	-
8	**Fund Based - Punjab National Bank^**	Long Term	500	**BWR BBB/Negative ISSUER NOT COOPERATING*/ Downgrade@**	05 Apr 2022	BWR A-(CE)/ Negative	22 Jan 2021	NA	19 May 2020	NA
							17 Feb 2021	NA	30 Sept 2020	NA
							10 May 2021	NA	-	-
							26 Nov 2021	BWR A-(CE)/ Negative	-	-
9	**Fund Based - Punjab and Sind Bank^**	Long Term	270	**BWR BBB/Negative ISSUER NOT COOPERATING*/ Downgrade@**	05 Apr 2022	BWR A-(CE)/ Negative	22 Jan 2021	NA	19 May 2020	NA
							17 Feb 2021	NA	30 Sept 2020	NA
							10 May 2021	NA	-	-
							26 Nov 2021	BWR A-(CE)/ Negative	-	-
10	**Fund Based - Bank of Maharashtra ^**	Long Term	500	**BWR BBB/Negative ISSUER NOT COOPERATING*/ Downgrade@**	05 Apr 2022	BWR A-(CE)/ Negative	22 Jan 2021	NA	19 May 2020	NA
							17 Feb 2021	NA	30 Sept 2020	NA
							10 May 2021	NA	-	-
							26 Nov 2021	NA	-	-
11	**Fund Based - Indian Bank^**	Long Term	500	**BWR BBB/Negative ISSUER NOT COOPERATING*/ Downgrade@**	05 Apr 2022	BWR A-(CE)/ Negative	22 Jan 2021	NA	19 May 2020	NA
							17 Feb 2021	NA	30 Sept 2020	NA
							10 May 2021	NA	-	-
							26 Nov 2021	NA	-	-
12	**Fund Based - Various Banks (Proposed)^**	Long Term	2803.07	**BWR BBB/Negative ISSUER NOT COOPERATING*/ Downgrade@**	05 Apr 2022	BWR A-(CE)/ Negative	22 Jan 2021	NA	19 May 2020	NA
							17 Feb 2021	NA	30 Sept 2020	NA
							10 May 2021	NA	-	-
							26 Nov 2021	NA	-	-
	Total		**8235.78**	**Rupees Eight Thousand Two Hundred and Thirty Five Crores and Seventy Eight Lakhs Only**						

*Issuer did not cooperate; based on best available information
^Supported by the guarantee of Government of Rajasthan; @Revision in analytical approach from CE to standalone

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple
For more information, visit
https://www.brickworkratings.com/download/ComplexityLevels.pdf

HYPERLINK/REFERENCE TO APPLICABLE CRITERIA

- [General Criteria]
- [Approach to Financial Ratios]
- [Infrastructure Sector]
- [Public Finance – State Governments]
- [Criteria - Credit Enhanced Ratings]
- [Ratings of Entities Based on Government Support]
- [Policy on Non-cooperation by Issuer]

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RAJASTHAN RAJYA VIDYUT PRASARAN NIGAM LTD. (RRVPNL)
ANNEXURE I
INSTRUMENT (NCD/Bonds) DETAILS

Sl. No.	ISIN Number	Issuance Date	Maturity Date	Principal Amount Outstanding (Rs. Crs.)
1	INE572F11042	31-Dec-2010	31-Dec-2022	16.65
2	INE572F11059	31-Dec-2010	31-Dec-2023	15.15
3	INE572F11067	31-Dec-2010	31-Dec-2024	13.79
4	INE572F11075	31-Dec-2010	31-Dec-2025	12.55
5	INE572F11083	31-Dec-2010	31-Dec-2026	11.42
6	INE572F11091	31-Dec-2010	31-Dec-2027	10.40
7	INE572F11109	31-Dec-2010	31-Dec-2028	9.46
8	INE572F11141	14-Jan-2011	14-Jan-2023	22.21
9	INE572F11158	14-Jan-2011	14-Jan-2024	20.21
10	INE572F11166	14-Jan-2011	14-Jan-2025	18.39
11	INE572F11174	14-Jan-2011	14-Jan-2026	16.74
12	INE572F11182	14-Jan-2011	14-Jan-2027	15.24
13	INE572F11190	14-Jan-2011	14-Jan-2028	13.87
14	INE572F11208	14-Jan-2011	14-Jan-2029	12.62
15	INE572F11224	31-Jan-2012	31-Jan-2022	54.79
16	INE572F11232	31-Jan-2012	31-Jan-2023	49.47

17	INE572F11240	31-Jan-2012	31-Jan-2024	44.67
18	INE572F11257	31-Jan-2012	31-Jan-2025	40.33
19	INE572F11265	31-Jan-2012	31-Jan-2026	36.42
20	INE572F11273	31-Jan-2012	31-Jan-2027	32.88
21	INE572F11281	31-Jan-2012	31-Jan-2028	29.69
22	INE572F11299	31-Jan-2012	31-Jan-2029	26.81
23	INE572F11307	31-Jan-2012	31-Jan-2030	24.20
24	INE572F08048 *	22-Mar-2013	22/03/2023 - 30% (Rs. 3,00,000/-) 22/03/2024 - 30% (Rs. 3,00,000/-) 22/03/2025 -40% (Rs. 4,00,000/-)	292.60
25	INE572F08055	6-Sep-2013	06/09/2023 - 30% (Rs. 3,00,000/-) 06/09/2024 - 30% (Rs. 3,00,000/-) 06/09/2025 -40% (Rs. 4,00,000/-)	200.00
26	INE572F08063	17-Jan-2014	17/01/2024 - 30% (Rs. 3,00,000/-) 17/01/2025 - 30% (Rs. 3,00,000/-) 17/01/2026 -40% (Rs. 4,00,000/-)	323.60
27	INE572F08071	28-Mar-2014	28/03/2024 - 30% (Rs. 3,00,000/-) 28/03/2025 - 30% (Rs. 3,00,000/-) 28/03/2026 -40% (Rs. 4,00,000/-)	226.40
28	INE572F09202	5-Jan-2015	05/01/2025 - 30% (Rs. 3,00,000/-) 05/01/2026 - 30% (Rs. 3,00,000/-) 05/01/2027 - 40% (Rs. 4,00,000/-)	300.30
29	INE572F08089	23-Mar-2015	23/03/2025 - 30% (Rs. 3,00,000/-) 23/03/2026 - 30% (Rs. 3,00,000/-) 23/03/2027 -40% (Rs. 4,00,000/-)	399.70
Total				**2235.78**

Note: As per information available in April 2022. NCD of ISIN INE572F08071 has been redeemed using call option on 28 Mar 2023. The rating team notes to withdraw the rating of this ISIN and such other ISINs which have been redeemed since the previous rating review on 05 Apr 2022, if any, after getting confirmation and requisite documents from the company.

RAJASTHAN RAJYA VIDYUT PRASARAN NIGAM LTD. (RRVPNL)
ANNEXURE II
Details of Bank Facilities rated by BWR

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total Rated (Rs. Crs.)
1.	SBI	CC	20.00	-	20.00
2		LC/BG	-	7.00	7.00
2.	Punjab and Sind Bank	Term Loan	369.93	-	369.93
3.	Indian Bank	Term Loan/WCTL	1300.00	-	1300.00
4.	Bank of India	WCTL	500.00	-	500.00
5.	Punjab National Bank	TL	500.00	-	500.00
6.	Bank of Maharashtra	TL	500.00	-	500.00
7.	Proposed Limits Various Banks	Term Loan/ WCTL	2803.07	-	2803.07
TOTAL					**6000.00**

Note: As per information available in April 2022

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