



Press Release
UTTAR HARYANA BIJLI VITRAN NIGAM LIMITED
August 14, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1500.00	ACUITE A Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	1500.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of ‘**ACUITE A**’ (read as **ACUITE A**) to the bank loan facilities of Rs.1,500.00 crore of Uttar Haryana Bijli Vitran Nigam Limited. The outlook is ‘**Stable**’.

Rationale for Rating

The rating draws comfort from the Government of Haryana's (GOH's) ownership of UHBVNL and its strategic importance to GOH to cater to electricity distribution in North districts of Haryana State. The rating also factors in the favourable consumer mix and regular support from GOH by way of extended unconditional and irrevocable guarantee as well as regular payment of subsidies. Further, it has healthy billing and collection efficiency at 90.67% and 100% respectively in FY2025. Additionally, T&D and AT&C losses stood low at 9.32% and 9.33% respectively in FY2025. Moreover, the financial risk profile is moderate, marked by gearing level at 3.08 times in FY2025. The rating also takes into account the moderate working capital operations of the company wherein GCA Days stood at 152 days as on 31st March 2025 as compared to 149 days as on 31st March 2024. Further, the rating remains constrained by net losses reported by the company in FY2025 which stood at Rs.150.82 Cr., decline in operating and profitability margins and stretched liquidity position reflected by insufficient net cash accruals against debt obligation wherein the shortfall is met by working capital limits. Acuite also notes the regulated nature of the operations and any significant changes in the regulatory environment will impinge on the credit profile of the company.

About the Company

Haryana based, Uttar Haryana Bijli Vitran Nigam Limited, incorporated in 1999, is a wholly owned entity of Government of Haryana and is engaged in distribution of power. It is responsible for the distribution and retail supply of electricity in the North zone of Haryana comprising of Panchkula, Ambala, Yamunanagar, Kurukshetra, Kaithal, Karnal, Panipat, Sonapat, Rohtak and Jhajjar. Government of Haryana (GoH) holds 96.52 per cent equity ownership in UHBVNL and the balance is held by Haryana Vidyut Prasaran Nigam Limited. The directors of the company are Mr. Saket Kumar, Mr. Karnesh Sharma, Mrs. Jyoti Saini, Mr. Rakesh Agarwal, Mr. Jagadeesan Ganesan, Mr. Kailash Chand Aggarwal, Mr. Jainder Singh Chhilar, Mrs. Apoorva Kumar Singh, Mr. Anil Kumar Yadav Mr. Ashok Kumar Meena and Mr. Parvesh Sharma.

Unsupported Rating

ACUITE BB+/ Stable

Analytical Approach

Acuité has adopted the standalone approach while assessing the business and financial risk profile of UHBVNL and has notched up the rating on the back of benefits emanating from the ownership by Government of Haryana (GoH). GoH holds 96.52 per cent equity ownership in UHBVNL besides regular managerial and financial support to UHBVNL. Moreover, the Government has supported its bank borrowings by way of unconditional and irrevocable Guarantee.

Key Rating Drivers

Strengths

Strategically important role of UHBVNL for the state and support extended by the Government of Haryana

UHBVNL caters to power requirements of entire North Haryana covering ten districts covering Panchkula, Ambala, Yamunanagar, Kurukshetra, Kaithal, Karnal, Panipat, Sonapat, Rohtak and Jhajjar. Government of Haryana has acquired stake of 96.52%, which provides adequate financial flexibility. The support extended by Government of Haryana in the form of regular infusion of equity and payment of subsidies. The company has received subsidies to the tune of Rs. 3027.89 crore in FY2025 as against Rs. 2477.97 crore in FY2024. Moreover, all borrowings of UHBVNL have unconditional and irrevocable guarantee provided by GOH. Acuité takes comfort from the aforesaid support from GOH therefore any changes in credit profile of state of Haryana is of key importance and will remain a key rating sensitivity factor.

Favourable Consumer Mix and Healthy Collection & Billing Efficiency

UHBVNL has a favourable consumption mix wherein active consumers have been increasing annually. Industrial (HT and LT) segments accounts for almost 65 percent of total revenue in FY2025. The revenue of the company is further backed by increase in number of connections as reflected by 37,71,436 consumers in FY2025 as against 36,64,931 in FY2024. Further, the company has healthy collection efficiency, which is evident by 100 percent bill collections in FY2025 as well as FY2024. In addition, the billing efficiency is healthy at 90.67 percent in FY2025. Moreover, the Transmission and Distribution (T&D) and Aggregate Technical and Commercial (AT&C) losses of the company stood at 9.32 percent and 9.33 percent respectively in FY2025. Acuité believes that the company will continue to draw benefits from its favourable consumer mix, steady AT&C losses along with healthy billing and collection efficiency.

Moderate Financial Risk Profile

The financial risk profile of the company is marked by the net worth of Rs.2667.73 Crores as on 31st March 2025 as against Rs.2352.95 Crores as on 31st March 2024. Further, the total debt of the company stood at Rs.8212.70 Crore as on 31st March 2025 as against Rs.7206.46 Crore as on 31st March 2024. The borrowings by UHBVNL are covered by guarantee extended by Government of Haryana. UHBVNL regularly executes capital expenditure which is majorly related to set up of new stations, smart meters, distribution lines along with maintenance and upgradation of existing lines, meters, etc. The project expenditure is mostly financed by loans availed from banks. The capital structure of the company is marked by gearing ratio which stood at 3.08 times as on 31st March 2025 as against 3.06 times as on 31st March 2024. The coverage indicators of the company are reflected by interest coverage ratio and debt service coverage ratio which stood at 1.40 times and 0.96 times respectively as on 31st March 2025 against 1.69 times and 1.17 times respectively as on 31st March 2024. TOL/TNW ratio of the company stood at 6.61 times as on 31st March 2025 and DEBT-EBITDA of the company stood at 7.84 times as on 31st March 2025. Acuité expects that going forward the financial risk profile of the company is likely to remain moderate in near to medium term on account of continuous debt laden capex plans and will remain a key monitorable factor.

Moderate Working capital operations

The working capital operations of the company are moderate marked by GCA days of 152 days as on 31st March 2025 as compared to 149 days as on 31st March 2024. The high GCA days are on account of high other current assets majorly including FSA and subsidies recoverable, receivables from suppliers, loans and advances to employees and contractors, etc. and high debtor days which stood at 57 days as on 31st March 2025 as compared to 45 days as 31st March 2024. On the other hand, the creditor days stood at 40 days as on 31st March 2025 as compared to 37 days in the previous year. The inventory days of the company stood at 18 days as on 31st March 2025 as compared to 17 days as on 31st March 2024. The working capital limits stood at an average of 80.61% for fund- based limits and 87.25% for non-fund based limits for the last six months ended July, 2025. Acuité believes that the working capital operations are likely to remain similar range in near to medium term due to nature of operation.

Weaknesses

Decline in profitability albeit increase in Revenue

The operational income of UHBVNL improved and stood at Rs.19346.96 Cr. in FY2025 as against Rs.17064.25 Cr. in FY2024. This increase is backed by the increase in sales of energy in FY2025 as compared to previous year along with increase in number of connections. However EBITDA margin decreased and stood at 0.18% in FY2025 as against 4.77% in FY2024 on account of significant increase in employee costs, majorly due to incremental hiring of employees along with terminal employee benefits expenses incurred in FY2025 to the tune of Rs.217.99 Cr. Further, the company booked net losses of Rs.150.82 Cr. in FY2025 wherein PAT margin stood at (0.78)% in FY2025 as against 0.42% in FY2024 on account of high depreciation and finance costs due to regular debt funded capex. Acuité believes that ability of the company to sustain its scale of operations while maintaining its profitability will remain a key rating sensitivity.

Susceptibility of performance to changes in the regulatory framework

UHBVNL's revenues are influenced by the regulatory framework governing the power sector. Revenues of state

distribution utilities like UHBVNL are determined by state electricity regulatory commissions. The Haryana Electricity Regulatory Commission (HERC) considers key parameters like the cost structure and expected to return on equity to arrive at distribution tariffs, wheeling & distribution, and retail supply under MYT Framework (Multi Year Tariff). Acuite believes that significant changes in the regulatory environment will impinge on the credit profile of the company.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the “CE” suffix)

Acuite takes into consideration the benefit derived by UHBVNL from the 100% ownership of Government of Haryana, either directly or indirectly.

Stress Case Scenario

While the rating has been derived on the standalone credit risk profile and cash flows of the discom, Acuite believes given the 100% holding of Govt of Haryana (directly / indirectly); in case of any stress case scenario, the required support would come from the state of Haryana.

Rating Sensitivities

- Credit profile of Government of Haryana
- Dynamics in the regulatory environment
- Sustenance of scale of operations while maintaining profitability
- Movement in financial risk profile leading to further stretch in liquidity

**Liquidity Position
Stretched**

The liquidity profile of the company is stretched with net cash accruals of Rs.296.51 Cr. as on 31st March 2025 against the debt repayment obligation of Rs.341.63 Crore over the same period. The repayment has been timely met by the company through working capital limits. Going forward, the company is expected to generate net cash accruals under the range of Rs.329.00 Crore to Rs.485.00 Crore against the debt repayment obligations up to Rs.680.22 Crore in the next two years. The shortfall in repayments will be met through working capital limits by the company. The working capital limits stood at an average of 80.61% for fund- based limits and 87.25% for non-fund based limits for the last six months ended July, 2025. The current ratio of the company stood at 0.71 times as on 31st March 2025. Further, the cash and bank balance available with the company stood at Rs.50.88 Crore as on 31st March 2025. Acuite expects that going forward the liquidity position of the company is expected to remain stretched in near to medium term and will remain a key monitorable factor.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	19346.96	17064.25
PAT	Rs. Cr.	(150.82)	71.38
PAT Margin	(%)	(0.78)	0.42
Total Debt/Tangible Net Worth	Times	3.08	3.06
PBDIT/Interest	Times	1.40	1.69

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>
- State Government Ratings : <https://www.acuite.in/view-rating-criteria-26.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook	
17 May 2024	Term Loan	Long Term	499.95	ACUITE A	Stable (Reaffirmed)
	Term Loan	Long Term	399.16	ACUITE A	Stable (Reaffirmed)
	Cash Credit	Long Term	500.00	ACUITE A	Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	100.89	ACUITE A	Stable (Reaffirmed)
20 Feb 2023	Term Loan	Long Term	1500.00	ACUITE A	Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab and Sind Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	500.00	Simple	ACUITE A Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	150.89	Simple	ACUITE A Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	09 Dec 2021	Not avl. / Not appl.	30 Sep 2033	458.28	Simple	ACUITE A Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	05 Sep 2022	Not avl. / Not appl.	28 Mar 2037	390.83	Simple	ACUITE A Stable Reaffirmed

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company Name
1	Government of Haryana
2	Uttar Haryana Bijli Vitran Nigam Limited

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Archita Sharma Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.