



**Press Release**  
**DAKSHIN HARYANA BIJLI VITRAN NIGAM LIMITED**  
**April 21, 2025**  
**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1600.00	ACUITE A   Stable   Assigned	-
Bank Loan Ratings	7950.00	ACUITE A   Stable   Reaffirmed	-
Bank Loan Ratings	300.00	-	ACUITE A1   Assigned
Bank Loan Ratings	150.00	-	ACUITE A1   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	10000.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of '**ACUITE A**' (read as **ACUITE A**) and the short term rating of '**ACUITE A1**' (read as **ACUITE A one**) on the bank loan facilities of Rs.8100.00 Crore of Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL). The outlook is '**Stable**'.

Acuite has assigned its the long-term rating of '**ACUITE A**' (read as **ACUITE A**) on the bank facilities of Rs.1600.00 Crore and the short term rating of '**ACUITE A1**' (read as **ACUITE A one**) on Rs.300.00 Crore bank facilities of Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL). The outlook is '**Stable**'.

**Rationale for Reaffirmation and Rating assigned**

The rating continues to factor the strategically important role of DHBVNL in the state of Haryana and the support received by DHBVNL in the form of subsidies & guarantees, defined collection structure/cashflow trapping which ensures timely payment of debt obligations and improved operating efficiency. DHBVNL has received aggregate subsidies to the tune of Rs. 4173.39 crore in FY24 as against Rs. 3733.42 Cr. in FY23. The majority of borrowings by DHBVNL are covered by a guarantee extended by the Government of Haryana. The rating gets additional comfort from increasing active consumers Y-O-Y and reducing operational losses (AT&C, T&D) over the years. These strengths are partly offset declining profitability, stretched liquidity and moderate financial risk profile.

**About the Company**

Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL), incorporated in 1999, is a wholly owned entity of Government of Haryana (As on March 31, 2022, GOH held 96.85% stake in DHBVNL and the balance was held by Haryana Vidyut Prasaran Nigam Limited) and is engaged in distribution of power. DHBVNL purchases power primarily from Central Generating Stations (CGS) and from renewable sources. It is responsible for the distribution and retail supply of electricity in the South zone of Haryana comprising of Hisar, Bhiwani, Sirsa, Faridabad, Fatehabad Gurugram-1, Gurugram-2, Palwal, Rewari, Jind and Narnaul circles with approx. 39 lac consumers (FY22) across all categories.

**Unsupported Rating**

ACUITE BB+/Stable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profiles of DHBVNL and has also factored in support extended by Government of Haryana (GOH) in the form of an unconditional and irrevocable guarantee.



## Strengths

### Strategically important role of DHBVNL in the state of Haryana

Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL), incorporated in 1999, is a wholly owned entity of Government of Haryana. As on March 31, 2023, GoH held 96.85% stake in DHBVNL and the balance was held by Haryana Vidyut Prasaran Nigam Limited) and is engaged in distribution of power. DHBVNL purchases power primarily from Central Generating Stations (CGS) and they are making efforts to source energy from renewable sources. It is responsible for the distribution and retail supply of electricity in the South zone of Haryana comprising of Hisar, Bhiwani, Sirsa, Faridabad, Fatehabad Gurugram-1, Gurugram-2, Palwal, Rewari, Jind and Narnaul circles. The company has been receiving support from Government of Haryana in the form of subsidy and guarantee extended. Government of Haryana has infused equity of Rs.61.59 crore during FY22. Hence, support from GOH is crucial for rating and hence any credit profile of state of Haryana is of key importance. As on January, 2025, the current active consumers is approximately 43.76 lacs. The consumer profile of the discom comprises of industrial, domestic, agriculture and commercial.

### Sustainable improvement in the AT&C and T&D losses

DHBVNL as experienced sustained improvement in the Transmission and Distribution Losses [T&D] and Aggregate Technical and Commercial Losses [AT&C] over a period of last 4 years accrued to the implementation of multiple initiatives, capex to improve transmission lines, installing substations, among others. The T&D and AT&C losses have been improving sequentially from 16.93% in FY21 to 10.58% in FY 24 and 15.97% in FY21 to 10.25% in FY24 respectively. Further, MSEDCL has also recorded significant improvement in its collection efficiency which stood at 100.37% for FY 24.

## Weaknesses

### Declining Scale of Operations & Profitability

DHBVNL reported the total revenue from operations of Rs. 24,289.46 Cr. in FY 24 as against Rs. 25,281.49 Cr. during FY 23 i.e., with decline in the revenue to the tune of 3.92%. Significantly, EBIDTA declined from Rs. 1558.41 Cr. in FY 23 to Rs. 782.93 Cr. in FY 24. The net profits (PAT) declined from Rs. 711.12 Cr. in FY 23 to Rs. 204.34 Cr. in FY 24. The deterioration in the business risk profile is mainly due to decline in the revenue against FSA (Fuel & Surcharge Adjustment) charged by the discom towards the consumers. However, number of active consumers and sale of power within state & outside state has been improved. Further, the utility booked the revenue of Rs. 19,029.24 Cr. till December 2024 with EBIDTA loss of Rs. 1,975.56 Cr. and net loss of Rs. 3,028.53 Cr. Acuite believes going forward, scale of operations along with profitability margins will be a key rating sensitivity for the discom.

### Moderate Financial Risk Profile

The financial risk profile of the company is moderate in nature with gearing ratio of 2.48 times for FY 24 against 1.98 times in FY 23. The net worth stood at Rs. 4018.51 Cr. as of March 31, 2024, against Rs. 3,347.69 Cr. as of March 31, 2023. The borrowings by DHBVNL are covered by guarantee extended by Government of Haryana. The total outside liability to tangible net worth slightly improved to 4.47 times as of March 31, 2024 as against 4.51 times as on March 31, 2023. ISCR stood at 2.05 times for FY 24 against 3.26 times for FY 23. The financial risk profile is expected to remain moderate over the medium term on account of regular planned capex of approximately Rs. 800-1200 Cr. every year for better distribution infrastructure, load growth and reducing AT&C losses.

### Susceptibility of performance to changes in the regulatory framework.

DHBVNL's revenues are influenced by the regulatory framework governing the power sector. Revenues of state distribution utilities like DHBVNL 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 DHBVNL 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

- Movement in the scale of operations & profitability

- Movement in operational metrics (AT&C, T&D losses)
- Changes in the regulatory guidelines.

### **Liquidity Position**

#### **Stretched**

The liquidity profile of the company is stretched marked by generating net cash accruals of Rs. 98.17 crore (excluding exceptional item) against debt obligation of Rs. 479.42 Cr. for the same year. The debt obligation has been timely repaid with short-term working capital limits. However, all these borrowings are supported by irrevocable guarantee extended by Government of Haryana. The company has unencumbered cash and bank balance of Rs. 326.44 crore as on March 31, 2024. The current ratio of the company stood at 1.44 times in FY 2024. The liquidity is further supported by undrawn bank limit utilizations as average fund-based bank limit utilisation stood at 42.74% and the non-fund-based limit utilisation stood at 69.57% for last 12 months ending January 2025. The liquidity profile is expected to remain stretched over the medium term.

#### **Outlook - Stable**

#### **Other Factors affecting Rating**

None.

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	24289.46	25281.49
PAT	Rs. Cr.	204.34	711.12
PAT Margin	(%)	0.84	2.81
Total Debt/Tangible Net Worth	Times	2.48	1.98
PBDIT/Interest	Times	2.05	3.26

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

Not Applicable.

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**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>
- Public Finance - State Government Ratings: <https://www.acuite.in/view-rating-criteria-26.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 Aug 2024	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	462.17	ACUITE A   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	383.55	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	537.05	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	440.23	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	400.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	300.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	177.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	250.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Working Capital Demand Loan (WC DL)	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Working Capital Demand Loan (WC DL)	Long Term	300.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	800.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	800.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	400.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	600.00	ACUITE A   Stable (Assigned)
	Letter of Credit	Short Term	150.00	ACUITE A1 (Reaffirmed)
	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	454.80	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	338.91	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	425.72	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	126.67	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	338.19	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	96.11	ACUITE A   Stable (Assigned)
	Cash Credit	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
				ACUITE A   Stable

06 Mar 2024	Cash Credit	Long Term	300.00	(Reaffirmed)
	Cash Credit	Long Term	177.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	100.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	365.38	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	134.62	ACUITE A   Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	150.00	ACUITE A   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	300.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	200.00	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	800.00	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	800.00	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	500.00	ACUITE A   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	442.60	ACUITE A   Stable (Assigned)
	Letter of Credit	Short Term	150.00	ACUITE A1 (Reaffirmed)
31 Mar 2023	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	456.87	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	143.13	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	300.00	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	425.72	ACUITE A   Stable (Assigned)
	Cash Credit	Long Term	177.00	ACUITE A   Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	200.00	ACUITE A   Stable (Assigned)
	Cash Credit	Long Term	100.00	ACUITE A   Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	150.00	ACUITE A   Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	300.00	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	336.12	ACUITE A   Stable (Assigned)
	Cash Credit	Long Term	200.00	ACUITE A   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	338.91	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	222.25	ACUITE A   Stable (Assigned)
	Cash Credit	Long Term	200.00	ACUITE A   Stable (Assigned)
	Cash Credit	Long Term	200.00	ACUITE A   Stable (Reaffirmed)
	Letter of Credit	Short Term	150.00	ACUITE A1 (Assigned)
10 Oct 2022	Term Loan	Long Term	500.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	600.00	ACUITE A   Stable (Assigned)
	Cash Credit	Long Term	200.00	ACUITE A   Stable (Assigned)
22 Jul 2022	Term Loan	Long Term	500.00	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
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	400.00	Simple	ACUITE A   Stable   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	ACUITE A   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	300.00	Simple	ACUITE A   Stable   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	177.00	Simple	ACUITE A   Stable   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	250.00	Simple	ACUITE A   Stable   Reaffirmed
Punjab and Sind Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	ACUITE A   Stable   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	250.00	Simple	ACUITE A   Stable   Assigned
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	300.00	Simple	ACUITE A   Stable   Assigned
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	150.00	Simple	ACUITE A1   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	300.00	Simple	ACUITE A1   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1054.00	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.	1050.00	Simple	ACUITE A   Stable   Assigned
Indian Bank	Not avl. / Not appl.	Term Loan	18 Aug 2022	Not avl. / Not appl.	18 Aug 2037	500.02	Simple	ACUITE A   Stable   Reaffirmed
Central Bank of India	Not avl. / Not appl.	Term Loan	05 Jun 2020	Not avl. / Not appl.	05 Feb 2033	707.72	Simple	ACUITE A   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	21 Jan 2023	Not avl. / Not appl.	21 Jan 2033	770.57	Simple	ACUITE A   Stable   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	05 Sep 2023	Not avl. / Not appl.	05 Sep 2030	554.70	Simple	ACUITE A   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	15 Sep 2023	Not avl. / Not appl.	15 Sep 2033	105.70	Simple	ACUITE A   Stable   Reaffirmed
Punjab and Sind Bank	Not avl. / Not appl.	Term Loan	26 Dec 2023	Not avl. / Not appl.	26 Dec 2030	727.70	Simple	ACUITE A   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	26 Mar 2024	Not avl. / Not appl.	28 Feb 2039	1000.00	Simple	ACUITE A   Stable   Reaffirmed



State Bank of India	Not avl. / Not appl.	Term Loan	27 Aug 2020	Not avl. / Not appl.	27 Aug 2027	217.94	Simple	ACUITE A   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	03 Feb 2021	Not avl. / Not appl.	03 Feb 2036	444.33	Simple	ACUITE A   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	26 Jun 2024	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	ACUITE A   Stable   Reaffirmed
Central Bank of India	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	16 Mar 2024	Not avl. / Not appl.	Not avl. / Not appl.	300.00	Simple	ACUITE A   Stable   Reaffirmed

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

Sr. No.	Company Name
1	Governement of Haryana
2	Dakshin Haryana Bijli Vitran Nigam Limited

## Contacts

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### About Acuité Ratings & Research

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