



### Press Release

## RAJASTHAN STATE POWER FINANCE AND FINANCIAL SERVICES CORPORATION LIMITED May 15, 2025

### Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1450.00	ACUITE A-   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	1450.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE A' - (read as ACUITE A minus)**' on the Rs. 1450.00 Cr. bank facilities of Rajasthan State Power Finance and Financial Services Corporation Limited (RSPF&FSCL). The outlook remains '**Stable**'.

### Rationale for Rating

Acuite, vide its press release dated 29th April, 2025, reaffirmed the unsupported rating of Acuite BBB-/Stable against which the client had appealed and provided further information and clarification particularly with respect to the support it is receiving from the Government of Rajasthan and the growth in the financial profile of the organization. It is noted that there is an improvement in Networth from Rs. 1041.24 Cr. in FY24 to Rs. 1139.00 Cr. as on 9MFY25. Moreover, the earning profile has improved significantly where PAT has grown from Rs.13.51 Cr. in FY24 to Rs. 98.71 Cr. in 9MFY25, which is primarily attributable to the lower financing costs until 9MFY25 which has resulted in the upgradation of the unsupported rating to Acuite BBB/Stable (read as Acuite triple B) from Acuite BBB-/Stable (read as Acuite triple B minus).

The rating continues to factors in RSPF & FSCL's strong parentage (Government of Rajasthan- GoR holds~100 percent) and expectations of future support. The rating further considers the experienced managerial Board at RSPF & FSCL, comfortable capitalization levels marked by Capital Adequacy Ratio (CAR) of 44.45 percent as on March 31, 2024. The Government of Rajasthan has infused Rs. 560 Cr. in FY24; which is followed by another equity infusion of Rs.350 Cr. in FY23. By virtue of state government ownership and support, the corporation enjoys strong resource raising ability at lower cost of funds thereby maintaining comfortable liquidity/ capital buffers to meet its funding requirements.

These strengths are partially offset by large ticket size exposures and limited flexibility to go beyond its existing area and scope of operations which may hinder its portfolio growth. While Acuite takes cognisance of presence of large ticket exposure. the credit risk is mitigated by availability to Letter of Comfort from Government of Rajasthan. Going forward, continued ownership/support from GoR, RSPF & FSCL's ability to profitably grow its loan portfolio while containing any slippages will be a key monitorable.

### About the company

RSPF & FSCL was incorporated on 21st December, 2012 in the name of Rajasthan State Power Finance Corporation Limited as a Public Limited company under the Companies Act, 1956. Rajasthan State Power Finance and Financial Services Corporation Limited (RS PF&FS CL) is a Government Company wholly owned by the Government of Rajasthan. RSPF&FSCL was set up to provide financial assistance to the State-owned Power companies. RSPF&FSCL now also provides its service to other PSUs of the Rajasthan. Finance Department of Government of Rajasthan has been designated as the Administrative Department. The main objective of the company is to support / augment the resources for financing the State-owned public- sector undertakings in the State of Rajasthan.

**Unsupported Rating**

ACUITE BBB/ Stable

**Analytical Approach**

To arrive at the rating, Acuité has considered the standalone business and financial risk profiles of RSPF & FSCL and notched up the rating by factoring in the form of Guarantee extended by Rajasthan State Government for the rated borrowing; with a parent notch up of its State Government.

## Key Rating Drivers

### Strength

#### Ownership and support from the Government of Rajasthan

RSPF & FSCL is a Government Company wholly owned by the Government of Rajasthan. The corporation was established with the objective of providing financial services to the state government PSUs. The Board of directors comprise eleven directors of which two are independent directors and the remaining nine are from the government of Rajasthan. RSPF & FSCL funding mix comprises equity contribution from GoR and bank borrowings. RSPF & FSCL has got capital infusion from the Government amounting to Rs. 350 Cr. in FY23; followed by equity infusion of Rs.560 Cr. in FY25. This has taken the total networth to Rs. 1041.24 Cr. as on March 2024 as against Rs.467.79 Cr. as on March 2023. The outstanding borrowings as on March 2024 stood at Rs.2480 Cr. The ownership and the guarantee by the GoR enable RSPF & FSCL to borrow at fine pricing from various banks and institutions. GoR has also extended guarantee for the bank loan facilities of the corporation. RSPF & FSCL capitalisation levels remained adequate at 44.45 percent as on March. 31, 2024. The corporation has maintained a gearing of 2.38 times as of March 2024.

Since the support from GoR is critical to the rating, the credit profile of Rajasthan state is of key importance. Rajasthan's fiscal deficit stood at 4.31 per cent of the GSDP for 2023-24 (RE) (3.76% per cent during the previous year). The outstanding debt of Rajasthan state as a percentage of GSDP remained over 37.57 percent for 2023-24 (RE) against 37.27 per cent for 2022-23 (RE). The state's revenue receipts to GSDP ratio for 2023-24 (RE) stood at 13.36 per cent against 14.37 per cent of for 2022-23 (Actual). While these levels are already elevated, further deterioration in the state metrics could impact the headroom of GoR to support such entities like RSPF & FSCL, Movement in the state's key fiscal metrics i.e. fiscal deficit to GSDP and Debt to GSDP will remain key monitorable.

Acuité believes that the corporation will continue to benefit from continued financial and business support from the State Government on an ongoing basis.

### Weakness

RSPF & FSCL commenced its lending business in 2020-2021 with a focus on extending financial assistance to the State PSUs of Rajasthan. Given that company has recently commenced lending operations, its exposure is wholesale in nature with top exposure, namely Rajasthan Rajya Vidyut Utpan Nigam Limited, Ajmer Vidhyut Vitran Nigam Limited, Jodhpur Vidhyut Vitran Nigam Limited, Jaipur Vidhyut Vitran Nigam Limited. While the debt repaying ability of aforementioned exposure has been impacted on account of stretched receivables, the credit risk is mitigated by availability to Letter of Comfort from Government of Rajasthan. In the event of deterioration of the credit profile of its borrowers RSPF & FSCL could face elevated asset quality pressures and consequently higher credit costs.

### 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)

RSPF&FSCL has established a track record and acts as a nodal agency on behalf of the state government. RSPF & FSCL has adequate liquidity marked by the comfort it derives support from the Government of Rajasthan (GoR). Acuité believes that the support from the Government of Rajasthan (GoR) will stand adequate in all scenarios including any stress situation and in the event of any requirement, Government of Rajasthan (GoR) will provide the necessary support.

### ESG Factors Relevant for Rating

Not Applicable

### Rating Sensitivity

- Credit profile of Rajasthan State Government and financial support to RSPF & FSCL
- Movement in asset quality indicators
- Movement in capitalisation & liquidity buffers

### Liquidity Position

#### Adequate

RSPF & FSCL had adequately matched asset liability profile as on March 31, 2024 with cumulative surplus in all maturity buckets. The corporation's total debt stood at Rs.2480 Cr. as on March, 2024. The corporation has maintained cash and bank balances of Rs. 1221.91 Cr. as on March 31, 2024.

### Outlook:

Stable

**Other Factors affecting Rating**

None

**Key Financials - Standalone / Originator**

Particulars	Unit	FY24 (Actual)	FY23 (Actual)
Total Assets	Rs. Cr.	3586.84	1225.10
Total Income*	Rs. Cr.	25.78	5.82
PAT	Rs. Cr.	13.51	1.14
Net Worth	Rs. Cr.	1041.24	467.79
Return on Average Assets (RoAA)	(%)	0.56	0.12
Return on Average Net Worth (RoNW)	(%)	1.79	0.36
Total Debt/Tangible Net worth (Gearing)	Times	2.38	1.60
Gross NPA	(%)	0	0
Net NPA	(%)	0	0

**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**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>
- Public Finance - 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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
29 Apr 2025	Term Loan	Long Term	46.88	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	285.62	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	97.71	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	405.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	175.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	100.00	ACUITE A-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	102.29	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	237.50	ACUITE A-   Stable (Reaffirmed)
07 Feb 2024	Term Loan	Long Term	250.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	100.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	200.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	100.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	500.00	ACUITE A-   Stable (Reaffirmed)
24 Mar 2023	Term Loan	Long Term	500.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	250.00	ACUITE A-   Stable (Reaffirmed)
24 Mar 2022	Term Loan	Long Term	500.00	ACUITE A- (CE)   Stable (Assigned)
	Proposed Long Term Loan	Long Term	250.00	ACUITE A- (CE)   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	102.29	Simple	ACUITE A-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2028	97.71	Simple	ACUITE A-   Stable   Reaffirmed
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	21 Dec 2021	Not avl. / Not appl.	21 Dec 2028	405.00	Simple	ACUITE A-   Stable   Reaffirmed
A U Small Finance Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	22 Oct 2029	237.50	Simple	ACUITE A-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2028	285.62	Simple	ACUITE A-   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jul 2026	175.00	Simple	ACUITE A-   Stable   Reaffirmed
UCO Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Aug 2028	46.88	Simple	ACUITE A-   Stable   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	18 Jun 2031	100.00	Simple	ACUITE A-   Stable   Reaffirmed

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

Sr. No.	Company name
1	Rajasthan State Power Finance and Financial Services Corporation Limited
2	Government of Rajasthan

## Contacts

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### 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.

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