



**Press Release**  
**Jaipur Vidyut Vitran Nigam Limited**  
**June 26, 2024**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	2658.67	ACUITE BBB+   Stable   Reaffirmed	-
Bank Loan Ratings	802.67	-	ACUITE A2   Reaffirmed
<b>Total Outstanding Quantum (Rs. Cr)</b>	3461.34	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and its short-term rating of '**ACUITE A2**' (read as **ACUITE A two**) to the Rs 3461.34 Cr. bank facilities of Jaipur Vidyut Vitran Nigam Limited (JVVNL). The outlook is '**Stable**'.

**Rationale for the rating**

The rating reaffirmed factors the stable revenue growth with improvement in operating margins, sustained improvement in the AT&C and T&D losses along with improvement in the collection efficiency in the last six years ended 2024. The rating factors in the support received from the State Government of Rajasthan (GoR) in the form of subsidies, grants and government guarantee backed borrowings. Further, the AT&C losses and T&D losses stood at around 20.02% in FY2024 against 25.65% (Base year FY2019) and 21.60% in FY2024 against 25.05% (Base year FY2019). The rating also draws comfort from JVVNL's diverse consumer mix. However, the rating is constrained on account of weak financial risk profile marked by negative net worth, and modest debt protection metrics given the high debt levels of the company along with regulated nature of business,

**About the Company**

Incorporated in 2000, Jaipur Vidyut Vitran Nigam Limited. (JVVNL) is a state power distribution company of Rajasthan State Electricity Board (RSEB). As per the Rajasthan Power Sector Reforms Act, 1999 of GoR, the erstwhile Rajasthan State Electricity Board (RSEB) was unbundled into a generation Company, a transmission Company and three distribution companies (Discoms) w.e.f. July 19, 2000. Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUNL) was incorporated as the sole generation company, Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL) was incorporated as the sole transmission company & three Discoms were incorporated in the form of Ajmer Vidyut Vitran Nigam Limited. (AVVNL), Jodhpur Vidyut Vitran Nigam Limited (JDVVNL) and Jaipur Vidyut Vitran Nigam Limited. (JVVNL). JVVNL's area of operations covers 12 districts of Rajasthan, namely Jaipur, Dausa, Alwar, Bharatpur, Dholpur, Kota, Bundi, Baran, Jhalawar, Sawaimadhopur, Tonk and Karauli. The company has its registered office located in Jaipur. The current directors of the company are Ms Aparna Arora, Mr. Ashutosh Pednekar, Mr. Anil Kumar Gupta, Mr. Pranab Kumar Sinha , Mr. Bhaskar Sawant , Mr. Naresh Kumar Thakral , Ms. Kirti Kachhawaha , Mr. Pramod Tak and Mr. Harsh Baweja.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuité has considered the standalone business and financial risk profile of Jaipur Vidyut Vitran Nigam Limited (JVVNL). Further, Acuité has also factored in the inherent support extended from the state government of Rajasthan.

## Key Rating Drivers

### Strengths

#### **Strategically important role of JVVNL for the state of Rajasthan & support extended by the GoR**

JVVNL came into existence in the year 2000 and caters the power requirements of 12 districts in the state of Rajasthan including Jaipur, Bharatpur, Dholpur, Kota, and Karauli to name a few. It is a strategically important entity and forms the backbone of the power sector infrastructure for Rajasthan. The status of the company, as a 100 per cent owned by government of Rajasthan (GoR) provides an adequate financial flexibility. JVVNL's credit profile is also supported by its access to funds at low cost and its ability to mobilise financial resources from several financial institutions and multilateral development institutions. The rating also factors in the ongoing support extended by GoR to JVVNL in the form of regular infusion of funds in the form of equity and unsecured loans and guarantees extended by the state government. During FY2024 and FY2023, there was an equity infusion of Rs.182.01 Cr. and Rs.176.14 Cr. infused as equity capital by GoR. Further, well established regulatory processes in Rajasthan such as presence of multi-year tariff regulations and grants sanctioned by the GoR has strengthened the operations of JVVNL. Acuité believes that JVVNL, being a fully owned undertaking of GoR, shall continue to benefit from the financial, operational and management support of GoR from time to time. Any event that impinges GoR's overall credit profile shall remain a key rating sensitivity.

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

JVVNL has experienced sustained improvement in the Transmission and Distribution Losses [T&D] and Aggregate Technical and Commercial Losses [AT&C] over a period of last 10 years accrued to the implementation of multiple initiatives, capex to improve transmission lines, installing substations, among others. Further, it has also recorded significant improvement in its billing efficiency which stood around 85.41% in FY2023 against 83.19% in FY2022. Further the company has entered into Distribution & Franchisee Agreement in 2016 with Kota Electricity Supply Limited, and Bharatpur Electricity Services Limited; both fully owned subsidiary of the Calcutta Electric Supply Corporation (CESC) for a period of 20 years.

### Weaknesses

#### **Modest financial risk profile**

The financial risk profile remains modest marked by negative net worth and deterioration in the coverage indicators. The discom reported net losses in FY2024 and FY2023 that resulted in further decline in the networth to Rs. (20,108.00) Cr. as on March 31,2024 against Rs. (12,437.87) Cr. as on March 31,2023. The debt levels stood at Rs. 33,926 Cr.as on March 31, 2024 as against Rs. 29,446.55 Cr. as on March 31, 2022.It is a highly capital-intensive nature of business where in order to maintain operational efficiencies, the company has to incur regular capital expenditure. Higher debt has resulted in the deterioration of the debt protection metrics as reflected by by interest coverage ratio (ICR) and debt service coverage ratio (DSCR) stood at 0.13 times in FY2024 (1.31 times in FY2023 and 1.44 times in FY2022) and 0.06 times in FY2024 (0.71 times in FY2023 and 0.90 times in FY2022), respectively. Though the company's DSCR has been weak in the past 2 years ended FY2024, Acuité notes that JVVNL has received regular support from GoR in the form of grants and equity infusion which is expected to continue going forward.

#### **Regulated nature of operations**

The revenues are influenced by the regulatory framework governing the power sector. Revenues of players such as JVVNL are determined by Rajasthan Electricity Regulatory Commission (RERC) through revision in tariff. Any significant delays in tariff approvals or a reduction in return on equity or a tightening of the RERC norms could result in lower operating cash flows. Acuité believes that any significant change in the regulatory environment will impinge on the credit profile of the company.

## ESG Factors Relevant for Rating

Not Applicable

## Rating Sensitivities

- Credit profile of GoR.
- Improvement in overall operating efficiency with reduced AT&C and T&D losses
- Improvement in the overall financial risk and liquidity profile
- Dynamics in the regulatory environment.
- Change in shareholding and support from GoR.

## Liquidity Position

### Adequate

JVVNL net cash accruals stood at (Rs. 3,132) Cr. against the repayments of Rs. 4695 Cr. However, the repayment obligations have been funded from support in the form of grants from GoR. Further, under the Additional Borrowing Limit of 0.50% of Gross State Domestic Product (GSDP) scheme, State Government (GoR) has agreed to take over the future five year losses of the Discom in a phased manner, and as per guidelines, GoR has taken over and in lieu of that released a sum equivalent to 75% of the losses reported in FY2023. Furthermore, the liquidity position is also supported by equity infusion of Rs.182.01 Cr. and Rs.176.14 Cr. by GoR during FY2024 and FY2023. Further, there have been liquidity infusion for Discoms by Power Finance Corporation (PFC) & Rural Electrification Corporation Limited (REC) for a period of 10 years. The company's repayment obligation in the FY 2023-24 and going forward obligations will be repaid by way of newly availed term loans from REC & PFC and working capital loans which are backed by government guarantee and remaining by way of grants from GoR. JVVNL due to its strategic importance to GoR has been able to access various funding sources in the past to tide over the short-term liquidity mismatch. The cash and bank balances stood at Rs. 235.43 Cr. as on March 31, 2024, and Rs.104.19 Cr. as on March 31, 2023. Further, Acuité receives comfort from the fact that JVVNL being a GoR entity warrants adequate financial support from GoR, time to time, to support the mismatches.

### Outlook: Stable

Acuité believes that the JVVNL will maintain 'Stable' outlook over the medium term from its strategic importance to the GoR, experienced management and strong parentage. The outlook may be revised to 'Positive' if the company successfully ramps up its operation and registers growth in revenues while improving its profitability and AT&C and T&D losses. Conversely, the outlook may be revised to 'Negative' in case of less than expected growth in the revenues or increased AT&C and T&D losses deteriorating the operating profile.

## Other Factors affecting Rating

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	26652.00	24087.26
PAT	Rs. Cr.	(4333.00)	(221.43)
PAT Margin	(%)	(16.26)	(0.92)
Total Debt/Tangible Net Worth	Times	(1.69)	(2.37)
PBDIT/Interest	Times	0.13	1.31

### 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>

### 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 Mar 2023	Letter of Credit	Short Term	526.87	ACUITE A2 (Assigned)
	Letter of Credit	Short Term	175.65	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	0.15	ACUITE A2 (Assigned)
	Letter of Credit	Short Term	100.00	ACUITE A2 (Assigned)
	Term Loan	Long Term	20.00	ACUITE BBB+   Stable (Assigned)
	Secured Overdraft	Long Term	100.00	ACUITE BBB+   Stable (Assigned)
	Term Loan	Long Term	500.00	ACUITE BBB+   Stable (Assigned)
	Term Loan	Long Term	282.00	ACUITE BBB+   Stable (Assigned)
	Working Capital Term Loan	Long Term	465.25	ACUITE BBB+   Stable (Assigned)
	Term Loan	Long Term	315.59	ACUITE BBB+   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	263.81	ACUITE BBB+   Stable (Assigned)
	Cash Credit	Long Term	100.00	ACUITE BBB+   Stable (Assigned)
	Term Loan	Long Term	333.02	ACUITE BBB+   Stable (Assigned)
	Term Loan	Long Term	279.00	ACUITE BBB+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.15	ACUITE A2   Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	100.00	ACUITE BBB+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	526.87	ACUITE A2   Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	175.65	ACUITE A2   Reaffirmed
Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	100.00	ACUITE A2   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	263.81	ACUITE BBB+   Stable   Reaffirmed
Bank of India	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	100.00	ACUITE BBB+   Stable   Reaffirmed
Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Mar 2026	Simple	500.00	ACUITE BBB+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Aug 2025	Simple	333.02	ACUITE BBB+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	13 Jul 2028	Simple	279.00	ACUITE BBB+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Oct 2025	Simple	20.00	ACUITE BBB+   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Jun 2025	Simple	315.59	ACUITE BBB+   Stable   Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	25 Jun 2028	Simple	282.00	ACUITE BBB+   Stable   Reaffirmed

Punjab and Sind Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Aug 2028	Simple	465.25	ACUITE BBB+   Stable   Reaffirmed
----------------------	----------------------	---------------------------	----------------------	----------------------	-------------	--------	--------	--

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

Sr No	Company Name
1	Government of Rajasthan
2	Jaipur Vidyut Vitran Nigam Limited



## Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 <a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a>  Anush Shetty Associate Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:anush.shetty@acuite.in">anush.shetty@acuite.in</a>	Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### 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](http://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.