



Press Release
HARYANA VIDYUT PRASARAN NIGAM LIMITED
August 26, 2025
Rating Reaffirmed

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|------------------|----------------------------------|-------------------------|
| Bank Loan Ratings | 997.50 | ACUITE AA- Stable Reaffirmed | - |
| Bank Loan Ratings | 50.00 | - | ACUITE A1+ Reaffirmed |
| Total Outstanding Quantum (Rs. Cr) | 1047.50 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuite has reaffirmed its long-term rating of 'ACUITE AA-' (read as ACUITE double A minus) and short-term rating of 'ACUITE A1+' (read as ACUITE A one plus) to Rs.1047.50 crore bank facilities of Haryana Vidyut Prasaran Nigam Limited (HVPNL). The outlook is 'Stable'.

Rationale for Rating

Rating has been reaffirmed on account of healthy financial risk profile with healthy tangible net worth and strong liquidity position of the entity. The company has maintained healthy unencumbered cash and bank balances and has enough leverage headroom to raise funds for debt funded capex going forward. However, the company has witnessed the decline in operating performance in line with revision of charges by Haryana Electricity Regulatory Commission (HERC).

About the Company

Haryana Vidyut Prasaran Nigam Limited (HVPNL) is a State Government of Haryana undertaking and was incorporated in 1997. The company is engaged in transmission company power and is licensed by Haryana Electricity Regulatory Commission (HERC) for transmission and bulk supply of power in Haryana. HVPNL receives power from generation companies, predominantly from Haryana Power Generation Corporation Limited (HPGCL), which is further transmitted through its transmission network consisting of high-tension lines and sub-stations to the distribution companies (discoms) namely: UHBVNL and DHBVNL. The major portion of transmission is done to UHBVNL and DHBVNL; ~99% as on date. In addition to this, the company also supplies power to NTPC, CRPCL, Indian Railways etc.

Unsupported Rating

ACUITE BBB/Stable

Analytical Approach

Acuite has adopted the standalone approach while assessing the business and financial risk profile of HVPNL and has notched up the rating on the back of benefits emanating from the ownership by Government of Haryana (GoH). GoH holds ~99% equity ownership in HVPNL besides regular managerial and financial support to HVPNL; the government has supported its bank borrowings by way of Guarantee.

Key Rating Drivers

Strengths

Support from State Government of Haryana

Haryana Vidyut Prasaran Nigam Limited (HVPNL) is a state Government undertaking with Government of Haryana having 99% stake in the company. The company is a strategically important entity and forms the backbone of the

power sector infrastructure of state. The company is a sole bulk power transmission company in Haryana. The company is a licensed entity for transmission and bulk supply of power in Haryana and primarily provides

transmission services to the state utilities such as Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL) and Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL). Apart from this, the company also transmits power to other entities such as NTPC, Indian Railways and Tata Power Trading Company Limited (TPTCL). Further, state Government of Haryana has also extended guarantee for the bank facilities of the company.

Healthy Financial risk profile

The tangible net worth of the company remained healthy at Rs. 5681.44 crore as on March 31, 2025 as against Rs. 5314.78 crore as on March 31, 2024 and Rs. 5035.37 crore as on March 31, 2023. The increase in networth in FY25 is on account of accretion of profit to reserve. The debt equity ratio of the company stood at 0.87 times as on March 31, 2025 as against 0.80 times as on March 31, 2024. Further, the debt components of the company are covered by irrevocable and unconditional guarantee extended by Government of Haryana. The interest coverage of the company stood at 3.41 times in FY 2025 as against 4.22 times in FY 2024. DSCR stood at 1.73 times in FY 2025 as against 2.14 times in FY 2024. Debt-EBITDA stood at 3.67 times in FY 2025 as against 2.89 times in FY 2024. Acuite believes that going forward the financial risk profile of the company is expected to remain healthy with the debt funded capex.

Weaknesses

Susceptibility of operating performance to transmission charges set by Haryana Electricity Regulatory Commission (HERC)

HVPNL's revenue is influenced by regulatory framework governing the power sector. The HERC considers key parameters like the cost structure and expected return on capital employed to arrive at transmission tariffs, wheeling and SLDC (State Load Dispatch Centre) charges. The company reported total operating income of Rs. 2386.04 Cr. in FY 2025 as against Rs. 2609.84 Cr. in FY 2024 witnessing decline of 8.58% over FY 2024. The major portion of the revenue is derived from transmission segment (84.67% in FY2025, 86.84% in FY2024 & 87.62% in FY2023).

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 Haryana Vidyut Prasaran Nigam Limited from the support of Government of Haryana.

Stress Case Scenario

While the rating has been derived on the standalone business and financial risk profiles of HVPNL, Acuite believes that being the 99% subsidiary of Government of Haryana, in case of any stress case scenario, the required support would come from the Government of Haryana.

ESG Factors Relevant for Rating

The material factors from the environmental perspective are green supply chain and waste management. The governance factors that play an important role are ethical business practices, board oversight and management compensation. Further, risk management practices to minimise corruption associated with electricity and gas distribution plays a crucial role. Additionally, regulatory compliance, shareholder's rights and audit control are other material issues in the power generation industry. On the social front, occupational and workforce health & safety management are of primary importance to this industry given the nature of operations. The policies on responsible procurement and product safety as well as quality are of utmost significance.

Rating Sensitivities

- Movement in scale of operations and profitability margins.
- Movement in working capital operations
- Timely fund tie up and capex

Liquidity Position

Strong

The net cash accruals of the company remained at Rs. 952.06 Cr. against maturing debt obligation of Rs. 381.49 Cr. in FY 2025 giving sufficient liquidity buffer. Further company maintained unencumbered cash and bank position of Rs. 626.42 Cr in FY 2025. Current ratio of the company stood at 1.78 times in FY 2025. Fund based working capital limits are utilized at ~1.36 per cent during the last eight months ended July 2025. Acuite believes that going forward the company will maintain strong liquidity position due to steady accruals.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 25 (Actual) | FY 24 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 2386.04 | 2609.84 |
| PAT | Rs. Cr. | 389.66 | 604.87 |
| PAT Margin | (%) | 16.33 | 23.18 |
| Total Debt/Tangible Net Worth | Times | 0.87 | 0.80 |
| PBDIT/Interest | Times | 3.41 | 4.22 |

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>
- 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 |
|-------------|----------------------------------|------------|-----------------|--|
| 28 May 2024 | Letter of Credit | Short Term | 50.00 | ACUITE A1+ (Upgraded from ACUITE A1) |
| | Cash Credit | Long Term | 80.00 | ACUITE AA- Stable (Upgraded from ACUITE A+ Stable) |
| | Cash Credit | Long Term | 100.00 | ACUITE AA- Stable (Upgraded from ACUITE A+ Stable) |
| | Cash Credit | Long Term | 200.00 | ACUITE AA- Stable (Upgraded from ACUITE A+ Stable) |
| | Term Loan | Long Term | 400.00 | ACUITE AA- Stable (Upgraded from ACUITE A+ Stable) |
| | Term Loan | Long Term | 117.50 | ACUITE AA- Stable (Assigned) |
| | Cash Credit | Long Term | 100.00 | ACUITE AA- Stable (Upgraded from ACUITE A+ Stable) |
| 28 Feb 2023 | Cash Credit | Long Term | 80.00 | ACUITE A+ Stable (Reaffirmed) |
| | Cash Credit | Long Term | 100.00 | ACUITE A+ Stable (Reaffirmed) |
| | Cash Credit | Long Term | 200.00 | ACUITE A+ Stable (Reaffirmed) |
| | Cash Credit | Long Term | 200.00 | ACUITE A+ Stable (Reaffirmed) |
| | Cash Credit | Long Term | 100.00 | ACUITE A+ Stable (Reaffirmed) |
| | Proposed Long Term Bank Facility | Long Term | 200.00 | ACUITE A+ Stable (Reaffirmed) |
| | Letter of Credit | Short Term | 50.00 | ACUITE A1 (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. | 80.00 | Simple | ACUITE AA- Stable Reaffirmed |
| Canara Bank | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 100.00 | Simple | ACUITE AA- Stable Reaffirmed |
| Union Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 200.00 | Simple | ACUITE AA- Stable Reaffirmed |
| HDFC Bank Ltd | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 100.00 | Simple | ACUITE AA- Stable Reaffirmed |
| Canara Bank | Not avl. / Not appl. | Letter of Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 50.00 | Simple | ACUITE A1+ Reaffirmed |
| Punjab National Bank | Not avl. / Not appl. | Term Loan | 31 Dec 2022 | Not avl. / Not appl. | 31 Dec 2037 | 517.50 | Simple | ACUITE AA- Stable Reaffirmed |

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

| Sr. No. | Company Name |
|----------------|---------------------------------------|
| 1 | Government of Haryana |
| 2 | Haryana Vidyut Prasaran Nigam Limited |

Contacts

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About Acuité Ratings & Research

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