

March 02, 2026

## Rajasthan IV A Power Transmission Limited: [ICRA]AAA (CE) (Rating Watch with Developing Implications); assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	1,200.00	[ICRA]AAA (CE) Rating watch with developing implications; assigned
<b>Total</b>	<b>1,200.00</b>	

<b>Rating without explicit credit enhancement</b>	<b>[ICRA]A</b>
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\*Instrument details are provided in Annexure I

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

### Rationale

The above rating is based on the strength of the corporate guarantee provided by Apraava Energy Private Limited (AEPL), the parent of Rajasthan IV A Power Transmission Limited (RIVA), for the rated bank lines. The rating action takes into account the credit profile of the guarantor as per rating rationale published for AEPL on ICRA's website on October 20, 2025.

### Adequacy of credit enhancement

For assigning the ratings, ICRA has assessed the attributes of the guarantee issued by AEPL in favour of the rated instrument of RIVA. The guarantee is legally enforceable, irrevocable, unconditional, covers the entire amount and tenor of the rated instrument<sup>1</sup> and has a well-defined pre-default payment and invocation mechanism, although the same is post default in nature. Given these attributes, the guarantee provided by AEPL is adequately strong to result in an enhancement in the rating of the said instrument to [ICRA]AAA(CE); rating watch with developing implication, against [ICRA]A without explicit credit enhancement. In case the rating of the guarantor undergoes a change in future, the same would be reflected in the rating of the aforesaid instrument as well.

### Salient covenants of the rated facility

- The tenor of the facility is 36 months with bullet repayment on final maturity date
- The Debt Service Coverage Ratio (DSCR) shall be at least 1.10 times for the entire tenure of the facility
- Debt service reserve account (DSRA) equivalent to three months' debt servicing (interest + principal) on the facility

<sup>1</sup> Till the time the project achieves credit rating of AAA

The rating without credit enhancement of [ICRA]A for RIVA factors in the presence of a strong parent, AEPL {rated [ICRA]AAA; rating watch with developing implications/[ICRA]A1+}, which has an established track record of owning and operating renewable power, thermal power and power transmission assets in India. The rating also draws comfort from the strong profile of the ultimate shareholders, CLP Holdings Limited {rated Moody's A2 (Stable); with 50% shareholding} and Caisse de dépôt et placement du Québec {CDPQ; rated Moody's Aaa (Stable); remaining 50% shareholding}.

RIVA is developing a bay at the Fatehgarh IV substation and constructing a ~185-kilometre (km) transmission line (route length) between the Fatehgarh IV substation and the Bhinmal Grid substation along with the associated line bays in Rajasthan. The project also includes implementing a loop-in loop-out (LIL) arrangement for both circuits (~9 km) of the existing Fatehgarh III–Beawar transmission line at the Fatehgarh IV substation, in Rajasthan under a build-own-operate-transfer (BOOT) model. The rating factors in the fixed-price EPC contract awarded by the company, thereby eliminating the raw material price risk. The rating also takes note that the company has achieved financial closure for Rs. 1,200 crore term loan for the project. Any cost overrun due to delays in the project, would be funded by promoter contribution, thereby giving comfort to the debt coverage metrics.

Upon commissioning, the company would benefit from an assured offtake and stable cash inflows in the form of fixed monthly charges as per the 35-year transmission service agreement (TSA), provided line availability is maintained above the normative level. Further, the project being a part of the Inter-State Transmission System (ISTS), is expected to benefit from favourable payment security under the pooling mechanism managed by the Central Transmission Utility of India Limited (CTU; a subsidiary of the Power Grid Corporation of India Limited) during the operating period.

The rating is, however, constrained by the project's implementation risks, given the mid-construction stage, pending right-of-way for few sections of the transmission line and certain pending regulatory approvals. The scheduled commercial operation date (SCOD) for the project, as per the TSA is August 2026 and as per sanctioned debt is February 2027. The timely acquisition of the pending right of way and approvals without any delays would be important. Following the commissioning of the project, the company's profitability would be exposed to fluctuations in operations and maintenance (O&M) expenses, although AEPL's experience in the power transmission business should ensure adequate resource allocation and cost-efficient execution of the O&M activity.

The company also remains exposed to the refinancing risk as term loan availed to fund the capital expenditure has 98% bullet repayment in September 2028. However, ICRA believes the company will be able to timely refinance its debt facility, given its financial flexibility due to strong parentage and expected stable cash flows from the transmission project post commissioning. Also, post refinancing through long-term debt, ICRA expects the company to maintain adequate debt coverage metrics over the contract tenure. The rating also considers the exposure of the company's debt coverage metrics to interest rate movement, due to the high share of debt funding in the project cost.

## Key rating drivers and their description

### Credit strengths

**Strong parentage and its explicit support through corporate guarantee** – The rating draws comfort from the strong parentage of RIVA, a wholly-owned subsidiary of AEPL. AEPL has an established track record of owning and operating renewable power and power transmission assets in India. Further, comfort is drawn from the superior financial flexibility derived by AEPL from the presence of strong ultimate shareholders. Also, AEPL has extended corporate guarantee for RIVA's term loan facilities.

**Assured offtake under long-term TSA, strong payment security** – Upon commissioning, the company will enjoy assured offtake and stable cash inflows in the form of fixed monthly charges, provided the line availability is maintained above normative level under the TSA. The project will also benefit from the diversified counterparty risk and favourable payment security under the pooling mechanism once commissioned. Under this mechanism, the Central Transmission Utility of India

Limited (CTU) collects monthly transmission charges from ISTS customers, which are distributed to all the ISTS licensees from the centrally collected pool.

**Financial closure achieved for debt funding** – The company has achieved financial closure for debt funding of Rs. 1,200 crore. The promoter's contribution is proposed to be in the form of pure equity and unsecured loans, which are expected to be infused in line with the progress of construction. Further, AEPL is expected to support RIVA to fund the cost overruns in case of delay in project execution.

### Credit challenges

**Implementation risks associated with typical power transmission project** – The project is currently at a mid-stage of implementation, which exposes it to execution-related risks. The construction activities are at the stage of tower foundation works, while right-of-way (ROW) acquisition for the transmission line is underway. The company has achieved 100% land acquisition for the project substation. The key regulatory approvals have been received, though some of them are still pending. The SCOD for the project, as per the TSA is August 2026 and as per sanctioned debt is February 2027. The timely acquisition of the pending right of way and approvals without any delays remains a key monitorable for the company.

**Moderate operations and maintenance risks** – Following the commissioning of the project, the company's profitability would remain exposed to variations in O&M expenses and line availability. However, AEPL's experience in the power transmission business should ensure adequate resource allocation and cost-efficient execution of the O&M activity.

**Refinancing risk** – The term loan of Rs. 1,200 crore availed to fund the capital expenditure carries a bullet repayment of 98% in September 2028, exposing the company to refinancing risk. However, ICRA believes the company, post commissioning, will be able to timely refinance its debt facility, given its financial flexibility due to strong parentage and expected stable cash flows from the transmission project. Also, post refinancing through long-term debt, the company is likely to maintain adequate debt coverage metrics over the contract tenure. The rating also considers the exposure of the company's debt coverage metrics to interest rate movement, due to the high share of debt funding in the project cost.

### Liquidity position: Adequate

#### For the rated entity RIVA: Adequate

The company's liquidity position is expected to remain Adequate, given the availability of requisite debt and equity funding for the project. The company remains exposed to refinancing risk as term loan availed has bullet repayment of 98% in September 2028. However, ICRA believes the company will be able to timely refinance its debt facility, given its financial flexibility due to a strong parentage and expected stable cash flows from the transmission project, post commissioning. Further, AEPL is expected to support the company to fund the cost overruns, if any.

#### For the guarantor AEPL: Adequate

AEPL's liquidity position is supported by the large cash balances, expectations of healthy cash flows from operations and the availability of undrawn working capital lines. As on January 27, 2026, the company had cash balances of ~Rs. 1,300 crore at the consolidated level, including restricted cash. The consolidated cash flows are expected to be adequate to service the total term loan repayment obligations. The funding requirements for the upcoming projects are expected to be met through a mix of internal accruals and debt. Further, support is expected to be forthcoming from the shareholders to fund the growth requirements of the company.

### Rating sensitivities

**Positive factors** – Not Applicable

**Negative factors** – Pressure on the rating could emerge in case of any significant delays in project implementation or sizeable cost overruns weakening the liquidity position of the company. The rating would also remain sensitive to deterioration in the credit profile of the guarantor, i.e. AEPL.

## Analytical approach

Analytical approach	Comments
<b>Applicable rating methodologies</b>	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Power Transmission</a>
<b>Parent/group Support</b>	Parent Company: AEPL The assigned CE rating is based on the unconditional and irrevocable corporate guarantee extended by RIVA's parent company i.e., AEPL
<b>Consolidation/standalone</b>	Standalone

## About the company

RIVA is a special purpose vehicle (SPV) of AEPL, incorporated in 2023 to establish a transmission system for evacuation of power from Rajasthan REZ Phase IV (Part 2: 5.5 GW) in the Jaisalmer/Balmer complex in Rajasthan. The project is implemented on a BOOT basis and has a TSA with long-term transmission customers for 35 years. The project is a part of the ISTS, with favourable payment security under the pooling mechanism managed by the Central Transmission Utility of India Limited (CTU)). The project was awarded to AEPL through the tariff based competitive bidding (TBCB) route.

### About the parent

AEPL is a 50:50 joint venture (JV) between CLP Holdings Limited and CDPQ through their subsidiaries CLP GPEC (Mauritius) Holdings Limited and CDPQ Infrastructure Asia II Pte. Limited, respectively. AEPL started its India operations in FY2003 by acquiring a 655-megawatt (MW) gas-fired combined cycle power plant at Paguthan near Bharuch in Gujarat. Thereafter, the company won a 1,320-MW coal-based power project in Haryana under Case-II bidding, which was commissioned in 2012. Further, the company forayed into renewable energy projects by developing a 50.4-MW wind power project at Khandke, Maharashtra, under a subsidiary. Over the years, it added more renewable projects through organic and inorganic ways, under various SPVs with AEPL serving as the holding company.

It also forayed into the power transmission business by acquiring an operational intra-state transmission project (240-km, 400-kV transmission line) set up in Madhya Pradesh, under Satpura Transco Private Limited (STPL), in November 2019. In September 2021, AEPL acquired Kohima Mariani Transmission Limited (KMTL; an inter-state transmission asset which operates 254-km 400 kV transmission lines in Manipur, Nagaland and Assam). In FY2023, the company also entered smart meter installation by winning contracts in two states – Assam and Gujarat.

The company is currently involved in developing and operating power generation projects across the renewable and thermal segments, power transmission projects and smart metering projects. The current portfolio of the company comprises 2,746.2 MW of installed power generation capacity which includes 1,176.2-MW wind power capacity, 250-MW solar power capacity and a 1,320-MW coal-fired supercritical power plant and two power transmission assets of 494 km in length. Further, the company has also forayed into installation of smart meters in various states of India under long-term contracts with state distribution utilities. All the power generation assets are tied up through long-term power purchase agreements (PPAs) with state distribution utilities and Central nodal agencies. This apart, the company has large under-development pipeline across renewable, transmission and smart metering projects.

### Key financial indicators (audited)

Not meaningful as the project is under construction

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: Not applicable

**Rating history for past three years**

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 02,2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long-term	1,200.00	[ICRA]AAA (CE); Rating Watch with Developing Implications	-	-	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

### Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	Sep 2025	-	FY2029	1,200.00	[ICRA]AAA (CE); Rating Watch with Developing Implications

Source: Company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

### Annexure II: List of entities considered for consolidated analysis

Not Applicable

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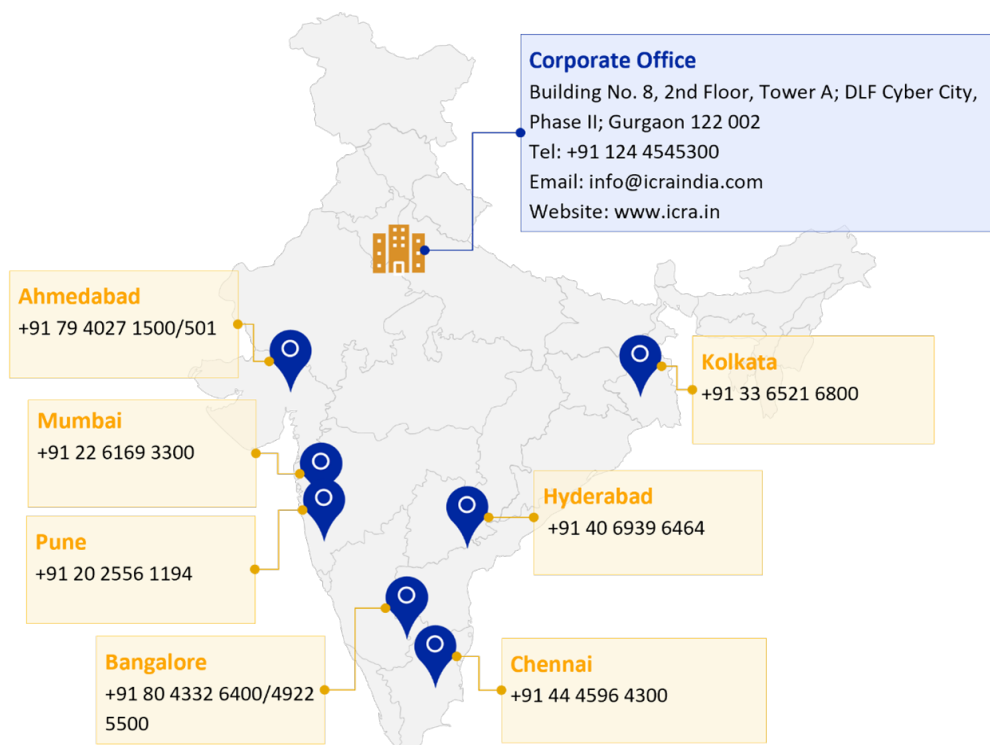


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