August 3, 2026

Rajasthan IV A Power Transmission Limited: Rating downgraded to [ICRA]AA+ (CE) (Stable) and removed from rating watch with developing implications; Stable outlook assigned

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long Term-Fund Based-Term Loan	1200.00	1200.00	[ICRA]AA+ (CE) (Stable); Downgraded from [ICRA]AAA (CE) and removed from rating watch with developing implications; Stable outlook assigned	RBI
Total	**1200.00**	**1200.00**		

Rating without explicit credit enhancement	[ICRA]A

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

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 revision in the credit rating of the guarantor to [ICRA]AA+(Stable) / [ICRA]A1+ as per rating rationale published for AEPL on ICRA's website on July 23,2026.

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[1] and has a well-defined 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]AA+(CE) (Stable) 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 3 months' debt servicing (interest + principal) on the facility

[1] 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, 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 kilometres (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 (LILO) arrangement for both circuits (~9 kms) 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 of the fact that the company has achieved financial closure for Rs. 1200 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 off-take 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 refinancing risk as term loan availed to fund the capital expenditure has 98% bullet repayment in December 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 explicit support through corporate guarantee from parent – 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 off-take 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. 1200 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 to be 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. Construction activities are presently 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. 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 risk- 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 December 2028, exposing the company to refinancing risk. 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.

Liquidity position

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 December 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 large cash balances, expectations of healthy cash flow from operations and the availability of undrawn working capital lines. As on July 08, 2026, the company had cash and bank balances of ~Rs. 814 crore (includes restricted cash and bank balances) at the consolidated level. 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 funding. Further, support is expected to be forthcoming from the shareholders to fund the company's growth requirements.

Rating sensitivities

Positive factors – The rating of the company would remain sensitive to any movement in the rating or outlook of the guarantor i.e. AEPL.

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
Applicable rating methodologies	Corporate Credit Rating Methodology Power Transmission
Parent/Group support	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
Consolidation/Standalone	Standalone

About the company

Rajasthan IV A Power Transmission Limited (RIVA) is a special purpose vehicle (SPV) of Apraava Energy Private Limited (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 build, own, operate and transfer (BOOT) basis and has a transmission service agreement (TSA) with long-term transmission customers for 35 years. The project is a part of the interstate transmission system (ISTS), with favourable payment security under the pooling mechanism managed by the Central Transmission Utility of India Limited (CTU; subsidiary of Power Grid Corporation of India Limited (PGCIL)). The project was awarded to AEPL through the Tariff Based Competitive Bidding (TBCB) route.

About the parent

AEPL is a 50:50 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 has added more renewable projects through organic and inorganic routes under various SPVs with AEPL being the holding company.

AEPL 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. Later, in December 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 entered into smart meter installation by winning contracts in two states – Assam and Gujarat.

Following the sale of its thermal asset, Jhajjar Power Limited, to Jindal Jhajjar Power Limited, AEPL no longer has any thermal generation capacity and is now focused on renewable energy, power transmission and smart metering projects. Its current operational portfolio comprises 1,426.2 MW of installed renewable energy capacity, including 1,176.2-MW wind and 250-MW solar capacity, along with three power transmission assets spanning 514 km. Further, the company has forayed into the installation of smart meters in various states of India under long-term contracts with the state distribution utilities. Most of 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 a large under-construction pipeline across renewable, transmission and smart metering projects.

Key financial indicators (audited)

Not meaningful as project is under construction.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2027)			Chronology of rating history for the past 3 years					
			FY2027	FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	August 3, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long term	1,200.00	[ICRA]AA+ (CE) (Stable)	March 02, 2026	[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	Financial Sector Regulator#
NA	**Term loan**	Sept 2025	-	FY2029	1200.00	[ICRA]AA+ (CE) (Stable)	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Girishkumar Kashiram Kadam
+91 22 6114 3406
girishkumar@icraindia.com

Ankit Jain
+91 124 4545 865
ankit.jain@icraindia.com

Rachit Mehta 2
+91 22 6169 3328
rachit.mehta2@icraindia.com

Arnav Gandhi
+91 22 6169 3359
rnav.gandhi@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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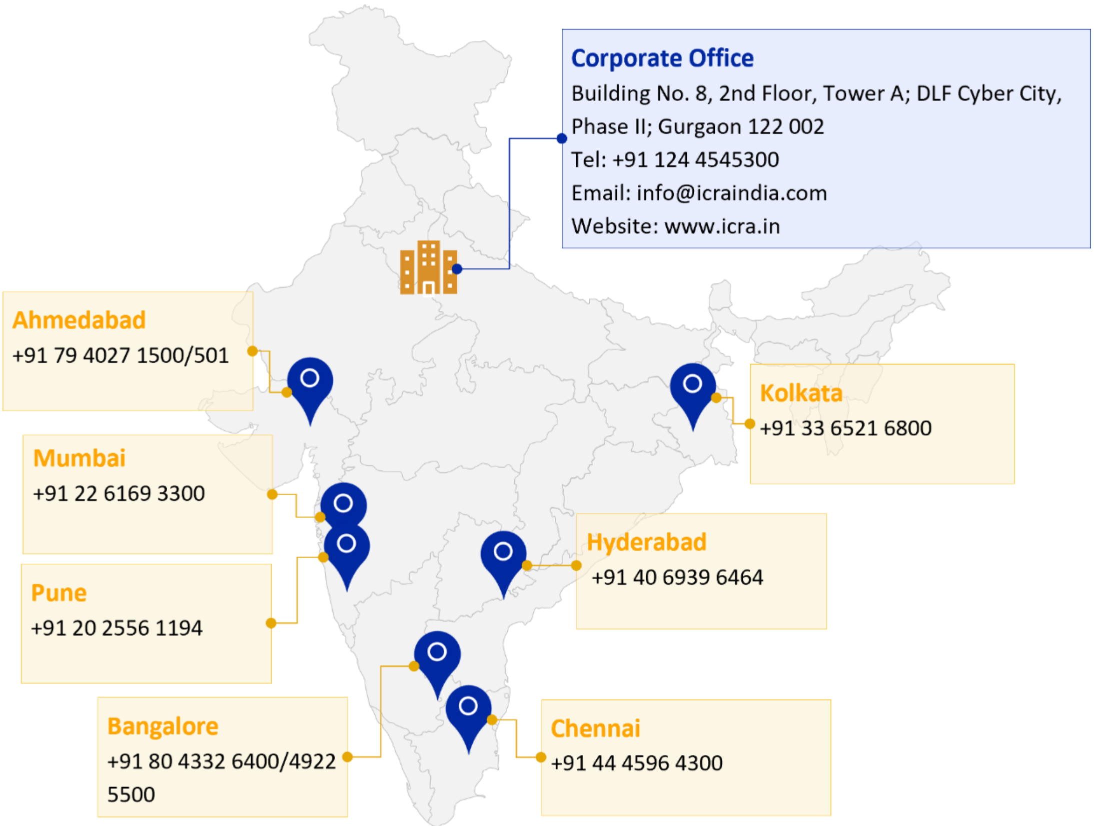
ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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