



**PRESS RELEASE**

**31-Dec-2019**

**Andhra Pradesh Capital Region Development Authority**

**Brickwork Ratings reassigns ratings for the Bank Loan Facilities of Rs.10,000.00 Crs. and NCD issue of Rs.2000.00 Crs and revises the outlook from stable to negative for Andhra Pradesh Capital Region Development Authority**

**Particulars:**

Instrument/ Facilities**	Amount (Rs. Crs.)		Tenure	Rating*	
	Previous	Present		Previous (16-Aug-2019)	Present
NCD/Bonds	2000	2000	Long Term	BWR A+ (SO^)/ Stable	BWR A+ (CE)#/ Negative Reaffirmed
BLR Fund Based Proposed Term Loans	10,000	10,000	Long Term	BWR A (SO)^/ Stable	BWR A (CE)@/ Negative Reaffirmed
<b>Total</b>	<b>12,000</b>	<b>12,000</b>	<b>₹ Twelve Thousand Crores Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*\* Details of Bank Loan facilities/ NCD/Bonds are provided in Annexure- I and II

**Unsupported Rating: BWR BBB / Negative**

^The suffix SO has been replaced with CE as per the SEBI guidelines June 13,2019 as on 14-Sep-2019

#Credit Enhancement (CE) was assigned based on the unconditional and irrevocable guarantee from State Government of AP (GoAP)

@Credit Enhancement (CE) was assigned based on the proposed unconditional and irrevocable guarantee from State Government of AP (GoAP).

Note: The said Bank Loan rating has been assigned on the basis of the terms and conditions assumed in the draft term sheet including, repayment over 15 years with a moratorium of 3 years and irrevocable and unconditional guarantee to be furnished by the Government of Andhra Pradesh.



## **RATING ACTION / OUTLOOK**

The outlook has been revised to negative on account of political issues associated with the development of the capital city of Andhra Pradesh and uncertain in the projects development in the capital city.

The rating reaffirmation takes into account the proposed unconditional and irrevocable guarantee from the Government of Andhra Pradesh (GoAP) for the proposed loan of Bank Loan facilities, availability of the Structure payment mechanism with T-structure, DSRA and unconditional and irrevocable guarantee from the Government of Andhra Pradesh (GoAP). However, the ratings are constrained by the implementation risks for the development of the city, any delay in availability or tie ups of funds for the development of the capital city shall impact the cash flows of the Company, deterioration of the Andhra Pradesh state finances with respect to modest growth of revenue and capital expenditure, deteriorated fiscal balances, increase in committed expenses, high level of debt outstanding and guarantees and modest growth in demographic and socio infrastructure of the state

Please [click here](#) for the detailed rating rationale published on 16-Aug-2019.

**KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED :** The Proposed Term Loans of Rs.10,000.00 Crores would be secured by the proposed unconditional and irrevocable guarantee from the state government of Andhra Pradesh (GoAP). The rated bonds of Rs.2000.00 Crores has irrevocable and unconditional guarantee from Government of Andhra Pradesh (GoAP) for timely repayment of debt obligations. Also, these bonds have Structured payment mechanism including the T-Structure and availability of DSRA for 2 Quarters.

**NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY : Nil**

## RATING HISTORY FOR THE PREVIOUS THREE YEARS

Instrument / Facilities	Current Rating			Rating History			
	Tenure (Long Term/ Short Term)	Amount (Rs. Crs.)	Rating	16-Aug-2019	10-Dec-2018	31-Aug -2018	30-May -2019
NCD/Bonds	Long Term	2000	BWR A+ (CE)/ Negative Reaffirmed	BWR A+ (SO)/ Stable	BWR AA-(SO)/ Stable	Affirmation of BWR AA-(SO)/Stable	Provisional BWR AA-(SO)
BLR Fund Based Proposed Term Loans	Long Term	10,000	BWR A (CE)/ Negative Reaffirmed	BWR A (SO)/ Stable	BWR A+ (SO)/ Stable	--	--
<b>Total</b>		<b>12,000</b>	<b>Rupees Twelve Thousand Crores Only</b>				

Unsupported Rating: BWR BBB/ Negative

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## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Credit Enhancement](#)
- [Ratings based on Government Support](#)

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**ANDHRA PRADESH CAPITAL REGION DEVELOPMENT AUTHORITY  
ANNEXURE I**

**Details of Bank Loan Facilities rated by BWR**

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total (Rs. Crs.)
1	Un-tied Portion	Term Loans (Proposed)	10,000	--	10,000
<b>Total</b>			<b>10,000</b>	<b>--</b>	<b>10,000</b>

**Total Rupees Ten Thousand Crores Only**

**ANNEXURE II**

**Instrument Details of NCD/Bonds rated by BWR**

Instrument	Issue Date	Issue Size	Coupon	Maturity Date	ISIN Particulars	Rating
NCD/Bonds	16 Aug 2018	400.00	10.32%	16 Aug 2024	INE01E708016	<b>BWR A+ (CE) / Negative Reaffirmed</b>
NCD/Bonds	16 Aug 2018	400.00	10.32%	16 Aug 2025	INE01E708024	
NCD/Bonds	16 Aug 2018	400.00	10.32%	16 Aug 2026	INE01E708032	
NCD/Bonds	16 Aug 2018	400.00	10.32%	16 Aug 2027	INE01E708040	
NCD/Bonds	16 Aug 2018	400.00	10.32%	16 Aug 2028	INE01E708057	
<b>Total</b>		<b>2000.00</b>				

**Total Rupees Two Thousand Crores Only**



#Credit Enhancement is assigned due to the unconditional and irrevocable Guarantee from State Government of Andhra Pradesh.

**For print and digital media**

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media

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