

RATING RATIONALE

18 Nov 2022

Andhra Pradesh Township & Infrastructure Development Corporation Limited

Brickwork Ratings has withdrawn the provisional rating for the bank loan facilities of the proposed term loans of Rs.2700.00 Crs, downgraded and migrated the rating to the issuer not cooperating category for the bank loan facilities of Rs. 282.40 Crs of Andhra Pradesh Township & Infrastructure Development Corporation Ltd based on best available information, as the issuer did not cooperate.

Particulars

Instrument/ Facility	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous (08 Sep 2021)	Present
Fund Based Proposed Term Loans	2700.00	--	Long Term	Provisional BWR A (CE)\$ /Stable Assigned	Withdrawn
Fund Based Term Loans	300.00	282.40	Long Term	Removed from Issuer Not Cooperating, BWR A (CE)^~/ Stable Reaffirmed	BWR BBB/Stable ISSUER NOT COOPERATING*/ Downgraded^
Grand Total	3000.00	282.40	Rupees Two Hundred and Eighty Two Crores and Forty Lakhs Only		

#Please refer to BWR website www.brickworkratings.com for definition of the ratings

**Details of Bank Loan facilities are provided in Annexure-I

^^Credit Enhancement (CE) was assigned based on the unconditional and irrevocable guarantee from the state Government of Andhra Pradesh (GoAP)

\$ CE was assigned based on the proposed unconditional and irrevocable guarantee from the GoAP

Unsupported Rating assessed in Sep 2021 was at BWR BB-/Stable.

*Issuer did not cooperate, based on the best available information

^Revision in the analytical approach from CE to Standalone. (Refer Analytical approach section)

Unsupported Rating Withdrawn due to change in the analytical approach as above.

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) has withdrawn the rating of Provisional BWR A (CE)/Stable of Andhra Pradesh Township & Infrastructure Development Corporation Limited (APTIDCO or the company) for the proposed bank loan facilities of Rs.2700.00 Crs since the proposed term loans have not been raised and APTIDCO does not intend to raise the said amount in the medium term. The withdrawal of Provisional rating is inline with the extant and regulatory guidelines.

For the bank loan facilities of Rs. 282.40 Crs, BWR has downgraded the rating to BWR BBB/Stable with revision in the analytical approach and simultaneously, migrated the



ratings to ISSUER NOT COOPERATING Category based on best available information, as the issuer did not cooperate.

BWR took up with the company several times to provide the required information over emails and telephone. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the Company's financial performance, its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non transparency and withholding of information required for a review of the rating

ANALYTICAL APPROACH: STANDALONE

BWR has revised the analytical approach from CE to standalone in view of the guarantee documents not being in line with the April 2022 regulatory guidelines issued by RBI. To arrive at the ratings, BWR has considered the standalone financial performance of the company. In addition, BWR takes comfort from the 100% ownership of the company, being state government of Andhra Pradesh (GoAP), BWR's assessment of GoAP, presence of the guarantee from GoAP for the rated facilities and the commitment from GoAP for ensuring the timely meeting of the debt obligations in the form of grants, which has been seen historically.

ABOUT THE ENTITY (As Available with BWR)

APTIDCO was established in August 2016 as a government syndicate to take up the task of integrated township and Infrastructure development across Andhra Pradesh. It is the state-level nodal agency for Pradhan Mantri Awas Yojana (PMAY) with capabilities of holistic planning, development, financing and implementation of affordable housing in the state, under Municipal Administration and Urban Development Department, so as to ensure the effective coordination of functioning among the key institutional stakeholders, viz., Urban Local Bodies (ULBs) and Development Authorities, and achieving desired mission outcomes including mandatory reforms, all of which fall under the domain of the Municipal Administration and Urban Development Department. The GoAP aims to construct 14 lakh houses for the urban poor by 2022 under the scheme titled Pradhan Mantri Awas Yojana – Housing for All Urban (PMAY)-U. The state government has already received sanctions for the construction of 6.81 lakh houses in the urban areas.

Project details:

Post the change in the political government in Andhra Pradesh, the government has notified the company to proceed with the construction of 2,62,616 houses as against the initial plan of 5 lakh houses. Accordingly, the project cost has been revised to Rs. 23,195.25 Crs for the completion of

the 2,62,616 houses. The means of finance is grants of Rs.3,933.24 Crs from the GoI and of Rs.14,672.01 Crs from the GoAP, and a share from the beneficiary contribution of Rs.4,590.00 Crs.

KEY FINANCIAL INDICATORS (As Available with BWR)

Key Parameters	Units	FY 21-22 (Audited)	FY 20-21 (Audited)
Operating Revenue	Rs.Crs.	597.67	564.57
Operating Profit	Rs.Crs.	562.84	538.68
Net Profit	Rs.Crs.	(5.40)	1.47
Tangible Net Worth	Rs.Crs.	(3.21)	2.48
Current Ratio	Times	0.05	0.89

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY : Nil

ANY OTHER INFORMATION : Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

S.NO	Instrument /Facility Type	Current Rating (2022)			Chronology of Rating History for the past 3 years (Rating assigned and press release date) along with outlook/watch, if applicable		
		Tenure (Long Term/ Short Term)	Amount (Rs.Crs.)	Rating	Date(s) & Rating(s) assigned in 2021	Date(s) & Rating(s) assigned in 2020	Date(s) & Rating(s) assigned in 2019
1	Fund Based	Long Term	--	Withdrawn	Provisional BWR A (CE) /Stable Assigned (08-Sep-2021)	--	--
2	Fund Based	Long Term	282.40	BWR BBB/Stable ISSUER NOT COOPERATING*/ Downgraded^	BWR A (CE) / Stable Reaffirmed / Issuer Not Cooperating* (29-Apr-2021) Removed from Issuer Not Cooperating, BWR A (CE) / Stable /Reaffirmed (08-Sep-2021)	BWR A (CE)/Stable (10-Feb-2020)	Affirmation at BWR A (CE)/ Stable (31-Dec-2019)
3	Fund Based	Long Term	--	--	Withdrawn (29-Apr-2021)	Provisional BWR A (CE)/ Stable (10-Feb-2020)	Provisional BWR A (CE)/ Stable (31-Dec-2019)
Grand Total			282.40	Rupees Two Hundred and Eighty two crores and forty lakhs only.			

COMPLEXITY LEVELS OF THE INSTRUMENTS - Simple

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com / download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors' queries can be sent to info@brickworkratings.com.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Ratings based on Government Support](#)
- [What Constitutes Non-Cooperation](#)

Analytical Contacts	
Sowmya Yatham Senior Manager- Ratings sowmya.y@brickworkratings.com	Chintan Dilip Lakhani Director- Ratings chintan.l@brickworkratings.com
1-860-425-2742	media@brickworkratings.com

Andhra Pradesh Township & Infrastructure Development Corporation Limited

ANNEXURE

Details of Bank Facilities rated by BWR

S.No.	Name of the Bank/Lender	Type Of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)
1	ICICI Bank	Fund Based Term Loan	282.40	--	282.40
Total			282.40	--	282.40
TOTAL (Rupees Two Hundred and Eighty Two crores and forty lakhs Only)					



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.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitization Products, Municipal Bonds, etc. BWR has rated over 12,000 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

Disclaimer

Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitization Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgment are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgment obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.



Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "**BWR Party**") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.