



RATING RATIONALE

26 March 2025

Andhra Pradesh Power Finance Corporation Limited

Brickwork Ratings downgrades the rating for Bank loan facilities of Rs. 8971.00 Crs of Andhra Pradesh Power Finance Corporation Limited, based on best available information, as the issuer did not cooperate and simultaneously withdraws the rating

Particulars:

Facilities**	Amount Rated (Rs. Crs.)		Tenure	Rating#	
	Previous	Present		Previous (30 Aug 2024)	Present
Fund Based - Bank Loans (Term loans)	9462.33	8971.00	Long Term	BWR BB/Stable/ Continues to be in ISSUER NOT COOPERATING* category/ Downgraded	BWR BB-/Stable/ Continues to be in ISSUER NOT COOPERATING* category/Downgraded and simultaneously Withdraws the Rating
Total	9462.33	8971.00	Rupees Eight Thousand Nine Hundred Seventy One Crores Only		
# Please refer to BWR website www.brickworkratings.com/ for definition of the ratings * Issuer did not cooperate; based on best available information ** Details of facilities provided in Annexures- I					

RATING ACTION / WITHDRAWAL/ NATURE OF NON-COOPERATION

Brickwork Ratings (BWR) downgrades the rating at BWR BB-/Stable/ continues to be in ISSUER NOT COOPERATING* category and simultaneously Withdraws the Rating for the Bank Loan Facilities of Rs. 8971.00 Crores. of Andhra Pradesh Power Finance Corporation Limited (“APPFCL” or “the Company”), as tabulated above.

BWR Withdraws the Rating at the request of the Company, NOCs from the lenders to the rated bank loan facilities and confirmation by the Company on non utilisation of BWR Rating for raising any funds from the proposed bank loan facilities, and that there is no outstanding on such proposed bank loan facilities.

Brickwork Ratings (BWR) has consistently taken up with APPFCL through multiple emails and telephone calls requesting the company to provide the requisite information for the review of the rating at the time of withdrawal, in terms of extant guidelines. Despite the best efforts of BWR to get at least the minimum required information for a review, the company continued to be non-cooperative. Further, the Company has not been submitting the monthly ‘No Default Statement’ (NDS) in deviation from the extant guidelines. The Company has not submitted NDS to BWR since July 2023. BWR is also unable to assess the entity’s financial performance and its ability to service its debt and maintain a valid rating at the time of withdrawal. Thereby on account of inadequate



information and lack of management cooperation for the review of rating, a requisite at the time of Withdrawal of Rating, BWR has downgraded the long-term rating at BWR BB-/ Stable/ continues to be in ISSUER NOT COOPERATING* category and simultaneously Withdrawn the Rating for bank loans facilities of Rs. 8971.00 Crs. of Andhra Pradesh Power Finance Corporation Limited, based on best available information and in compliance with BWR Rating Withdrawal Policy.

The lenders/investors may note to exercise due caution while using the above rating which mentions "Issuer Not Cooperating" since the rating lacks any projections or forward-looking component as it is arrived at based on the best available information without any management/banker's interaction.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally noncooperation 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 withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (as per last available information)

Parameters	Units	31/03/2022 FY22	31/03/2023 FY23	31/03/2024 FY24
Result Type		Audited	Audited	NA
Assets Under Management (AUM)	Rs Crs	18539.14	14248.47	NA
Total Income	Rs Crs	1583.16	1581.77	NA
Net Profit After Tax	Rs Crs	149.61	192.72	NA
Net Interest Margin (NIM)	%	1.22	1.80	NA
Return on Equity (RoE)	%	27.82	26.29	NA
Return on Asset (RoA)	%	0.81	0.11	NA
Debt/ Equity (D/E)	Times	33.25x	4.51x	NA
Capital to Risk Weighted Assets ratio (CRAR)	%	15.00	27.22	NA

NA - Not Available

COMPANY'S PROFILE

Andhra Pradesh Power Finance Corporation Limited (APPFCL) was incorporated as a Government Company under the Companies Act, 1956 on 12 July 2000 and commenced business on 13th July 2000. APPFCL obtained registration from the Reserve Bank of India as a Non-Banking Company on 25-8-2000. The object of the company is to support/augment the resources for financing the Power Sector Reforms in the State of Andhra Pradesh. The main objective of the company includes providing long-term finance to those enterprises wholly engaged in the business of developing, maintaining and operating Power distribution facility viz. GENCO, TRANSCO, DISCOM.

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:

ICRA Ratings migrated the company's ratings to the ISSUER NOT COOPERATING* category w.e.f. Feb 01, 2024 as the issuer did not provide the information to conduct the rating exercise.

Any Other Information: None



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

Sr. No	Facilities	Current Ratings (Year 2025)			Rating History for the past 3 years		
		Type	Amount O/s in (Rs. Crs.)	Rating	2024 (30 Aug 2024)	2023	2021 (27 Oct 2021)
1	Fund Based - Bank Term Loans	Long Term	8971.00	BWR BB-/Stable/ Continues to be in ISSUER NOT COOPERATING* category/ Downgrade/ Withdrawn	BWR BB/ Stable/ Continues to be in ISSUER NOT COOPERATING* category/ Downgrade	BWR BB+/ Stable/ Continues to be in ISSUER NOT COOPERATING*/ Downgraded (24 July 2023)	BWR A (CE) Stable
				-	-	BWR BBB/ Stable/ ISSUER NOT COOPERATING*/ Downgraded @ (25 January 2023)	-
	Total	-	8971.00	Rupees Eight Thousand Nine Hundred Seventy One Crores Only			

* Issuer did not cooperate; based on best available information

@Revision in analytical approach from CE to standalone; withdrawal of earlier unsupported rating of BWR BB+/Stable

Reference to Applicable Criteria:

- [General Criteria](#)
- [Banks & Financial Institutions](#)
- [Approach to Financial Ratio](#)
- [Policy on Issuer Non-Cooperation](#)
- [Rating Withdrawal Policy](#)

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Andhra Pradesh Power Finance Corporation Limited

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

Sr. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the Instrument*
1	State Bank of India	Term Loan	1312.00	0.00	1312	Simple
2	Union Bank of India	Term Loan	1500.00	0.00	1500.00	Simple
3	Canara Bank	Term Loan	2000.00	0.00	2000.00	Simple
4	Bank of India	Term Loan	2909.00	0.00	2909.00	Simple
5	Bank of Baroda	Term Loan	750.00	0.00	750.00	Simple
6	Indian Overseas Bank	Term Loan	500.00	0.00	500.00	Simple
	Proposed Facilities	Term Loans	0.00	0.00	0.00	Simple
	Total		8971.00		8971.00	

*For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Note: Proposed facilities of Rs.491.33 Crs were not availed/ utilised, as confirmed by the Company

**ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS**

Instrument	Issue Date	Amount (Rs Crs.)	Coupon rate	Maturity Date	ISIN Particulars	Complexity of the instrument*
NA	NA	NA	NA	NA	NA	NA

*For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

**ANNEXURE III
List of entities consolidated**

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
NA	NA	NA	NA



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