



RATING RATIONALE

30 August 2024

Andhra Pradesh Power Finance Corporation Limited

Brickwork Ratings downgrades the rating for the fund based bank term loans of Rs. 9462.33 Crs of Andhra Pradesh Power Finance Corporation Limited based on best available information, as the issuer did not cooperate.

Particulars:

Facilities**	Amount Rated (Rs. Crs.)		Tenure	Rating#	
	Previous	Present		Previous (24 July 2023)	Present
Fund Based - Bank Term Loans	9462.33	9462.33	Long Term	BWR BB+/Stable/ Continues to be in ISSUER NOT COOPERATING* /Downgraded	BWR BB/Stable/ Continues to be in ISSUER NOT COOPERATING* category/Downgraded
Total	9462.33	9462.33	Rupees Nine Thousand Four Hundred Sixty Two Crores and Thirty-Three Lakhs 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 / OUTLOOK / NATURE OF COOPERATION

Brickwork Ratings (BWR) has downgraded the ratings at BWR BB/Stable and continues to be in ISSUER NOT COOPERATING* category for bank term loans of Rs. 9462.33 crores of Andhra Pradesh Power Finance Corporation Limited (“APPFCL” or “the Company”). Brickwork Ratings (BWR) has consistently taken up with APPFCL through emails and telephone calls to provide the requisite information for the review of the ratings. 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 unable to assess the entity’s financial performance and its ability to service its debt and maintain a valid rating. BWR also awaits receipt of requisite information/documents in compliance with BWR Rating Withdrawal Policy. Thereby on account of inadequate information and lack of management cooperation for the review of rating, BWR has downgraded the long-term ratings to BWR BB/ Stable/ continues to be in ISSUER NOT COOPERATING* category.

The lenders/investors may note to exercise due caution while using the rating that 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

Please refer to the following link for the previous detailed active rationale that captures the Key Financials Indicators [View Previous Document](#)

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 2024)			Rating History for the past 3 years		
		Type	Amount O/s in (Rs. Crs.)	Rating	2023	2022	2021 (27 Oct 2021)
1	Fund Based - Bank Term Loans	Long Term	9462.33	BWR BB/Stable/ Continues to be in ISSUER NOT COOPERATING* category/ Downgrade	BWR BB+/Stable/ Continues to be in ISSUER NOT COOPERATING*/Do wngraded (24 July 2023) BWR BBB/Stable/ ISSUER NOT COOPERATING*/Do wngraded @ (25 Jan 2023)	-	BWR A (CE) /Stable/ Reaffirmed



* 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

(as per last available with BWR rationale dated 25 Jan 2023)

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	491.33	0.00	491.33	Simple
	Total		9462.33		9462.33	

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



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

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

List of entities consolidated

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