



**Press Release**  
**ANDHRA PRADESH CAPITAL REGION DEVELOPMENT AUTHORITY (APCRDA)**  
**November 28, 2025**  
**Rating Upgraded and Withdrawn**

| Product                            | Quantum (Rs. Cr) | Long Term Rating                    | Short Term Rating |
|------------------------------------|------------------|-------------------------------------|-------------------|
| Non Convertible Debentures (NCD)   | 1200.00          | ACUITE BBB   CE   Stable   Upgraded | -                 |
| Non Convertible Debentures (NCD)   | 800.00           | Not Applicable   Withdrawn          | -                 |
| Total Outstanding Quantum (Rs. Cr) | 1200.00          | -                                   | -                 |
| Total Withdrawn Quantum (Rs. Cr)   | 800.00           | -                                   | -                 |

**Rating Rationale**

Acuite has upgraded its long-term rating to '**ACUITE BBB (CE)**' (read as **ACUITE triple B (Credit Enhancement)**) from '**ACUITE BB (CE)**' (read as **ACUITE double B (Credit Enhancement)**) on the Rs. 1200.00 Cr. Non-Convertible Debentures (NCDs) of Andhra Pradesh Capital Region Development Authority (APCRDA). The outlook is '**Stable**'.

Acuite has also withdrawn its long-term rating on Rs. 800.00 Cr. Non-Convertible Debentures of 'Andhra Pradesh Capital Region Development Authority (APCRDA)' without assigning any rating as the NCDs are fully redeemed. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument. The rating is being withdrawn on account of confirmation received from the company and publicly available information.

**Rationale for the rating upgrade**

The rating upgrade factors in adherence to the T-structure since February 2025, non-invocation and maintenance of DSRA since September 2024 along with funding support and availability of the unconditional and irrevocable guarantee from the Government of Andhra Pradesh (GoAP) towards the debt (Bank loans and NCDs) of APCRDA. The rating also considers timely servicing of repayment obligation made by APCRDA which was due on November 16, 2025, towards the NCDs. Further, as on 25th November 2025, APCRDA has maintained required DSRA (Debt Service Reserve Account) balance equivalent to two quarters and BSA (Bond Service Account) balance equivalent to 1.5 quarters of debt obligation as per the transaction structure. The rating also factors in the enhanced support in the form of budgetary allocation of Rs. 6,000 crore by government in the fiscal year 2026 for the Amravati project which has increased as compared to previous years.

Acuite has downgraded the unsupported rating of APCRDA to 'Acuite C' from 'Acuite B+/Stable' on account of weak standalone liquidity position of APCRDA resulting in delay in meeting its debt obligation due on 30<sup>th</sup> September 2025 on bank loans not rated by Acuite. The delay was on account of operational delay in transfer of funds by GoAP to APCRDA; the payment was subsequently made on 1<sup>st</sup> October 2025 which was further transferred to the respective bankers.

Acuité believes that APCRDA will continue to receive timely financial support from its parent (GoAP), given the moral obligations arising from the guarantees provided by GoAP and will

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continue to monitor the liquidity position of APCRDA and adherence to T-Structure by the authority. Going ahead, the credit profile of GoAP will remain the key to the credit quality of APCRDA.

## About the Company

The erstwhile state of Andhra Pradesh was bifurcated into the successor states of Andhra Pradesh (AP) and Telangana in June 2014 vide the Andhra Pradesh Reorganization Act, 2014 act of the Indian Parliament. Andhra Pradesh Capital Region Development Authority (APCRDA) was formed in 2014 under 'AP Capital Region Development Act 2014' and is a statutory body under GoAP. The objectives of APCRDA are planning, coordination, execution, and financing for the development of Amaravati. Amaravati is in Guntur district with an area of ~217 sq. km. and is strategically located within 30 minutes of driving distance of two major urban centres viz. Vijayawada and Guntur.

## Unsupported Rating

ACUITE C

## Analytical Approach

Acuité has considered the standalone business and financial risk profiles of APCRDA and has factored in support extended by GoAP (through an unconditional and irrevocable guarantee) as well as the presence of the Structured Payment Mechanism including the availability of Debt Service Reserve Account (DSRA) while arriving at the rating.

## Key Rating Drivers

### Strengths

#### **Unconditional and irrevocable guarantee from GoAP along with a Structured Payment Mechanism**

The interest and the principal payments on the NCDs are backed by an unconditional and irrevocable guarantee from the Government of Andhra Pradesh (GoAP). The structure mechanism entails maintenance of Debt Service Reserve Account (DSRA) balance equivalent to total debt servicing obligation of the outstanding bonds for the next 2 quarters and Bond Servicing Account (BSA) balance equivalent to 1.5 times the amount of debt servicing requirement (interest and principal). The DSRA balance has been intact for over an year from September 2024. For the debt obligation due in February 2025 to be made from BSA was replenished ~15 days prior to the due date. For the debt obligation due in May 2025, August 2025 and November 2025 the BSA was replenished ~70-76 days prior to the due date. As confirmed by the banker and the management, the balance in the DSRA (equivalent to two quarters of debt obligation) stood at ~Rs. 250 crore and the balance in the BSA (including FDs) (equivalent to 1.5 quarters of debt obligation) stood at ~Rs. 72 crore as on 25<sup>th</sup> November 2025. The balance in the BSA account is expected to be increased by ~Rs. 119 crore by November 2025 end as the authority has raised bill to GoAP for the same. The next debt repayment amounting to Rs ~Rs. 125-130 crore is due in February 2025 and will be met through the funds available in the BSA. The continuous adherence to the structured payment mechanism will remain a key rating sensitivity factor.

### Weaknesses

#### **High linkages with the vulnerable fiscal profile of Andhra Pradesh**

The positioning of Andhra Pradesh as an attractive major destination for various local and international investors will require significant investments in infrastructure development in Amaravati. High developmental expenditure is required for execution of these mega plans which has been funded largely through long term investments and borrowings from various domestic and international investors. Besides the participation of the private sector through

Public-Private Partnership (PPP), the State Government is expected to support these development plans through various fiscal sops, equity contributions, soft loans and issuance of guarantees in favor of the lenders to these projects. Acuité believes APCRDA will have a significant dependence on grants from State and Central Government. Timely support from the State Government or any long term equity tie up for timely completion of the projects will remain a key monitorable. The rating factors in support from the State Government to APCRDA in a timely manner.

As per Andhra Pradesh State budget, the revenue receipts is estimated at Rs. 2,17,977 Cr. for FY2025-26 (Budget Estimates) as against Rs.1,76,031 Cr. for FY2024-25 (Revised Estimates). The revenue deficit is estimated at Rs. 33,186 Cr. for FY2025-26 (BE) which is 1.8% of the GSDP as against 3.0% of GSDP for FY2024-25 (RE). The gross fiscal deficit to gross state domestic product (GFD to GSDP) is estimated at 4.4 per cent in FY2025-26 (BE) as against 4.6 per cent in FY2024-25 (RE). The influence of adverse macro-economic factors such as cutbacks in capex plans by corporates and improved sops by other States may impinge on the investment flows into the State. Any further slippages in the key fiscal parameters could impact the credit profile of the State. Andhra Pradesh's ability to attain an improvement in its fiscal parameters also depends on its revenue generation which in turn is linked to its own revenues as well as devolution from Centre. Any further slowdown in investment flows and sluggishness in economic activity may affect its fiscal parameters. The ability to maintain fiscal discipline while facilitating higher GSDP growth will be a key determinant of GoAP's credit profile, going forward.

#### **Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)**

The CE structure has been applied considering adequacy and timeliness in the receipt of funds required for debt service, unconditional and irrevocable guarantee from GoAP towards debt obligations of APCRDA. Continuous feedback from the trustee is taken to monitor the timely repayment of the debt obligations.

#### **Rating Sensitivities**

- Credit Profile of GoAP.
- Adherence to the stipulated transaction structure.
- Timely servicing of all debt obligations

#### **All Covenants**

##### **Affirmative Covenants**

The issuer covenants with the Bond Trustee that until the Final Settlement Date of Bonds it shall;

- Utilise proceeds of bonds received towards the purpose.
- Take all steps necessary to get the Bonds listed within 20 (Twenty) calendar days from the Date of allotment.
- In case of a delay by the Issuer in listing the Bonds beyond 20 (Twenty) calendar days from the Date of allotment the Issuer shall make payment to the Bond Holders of additional interest calculated on the face value of the Bonds at the rate of at least 1% (One Percent) p.a. over and above the Interest Rate from the expiry of 30 (Thirty) calendar days from the Date of allotment until the listing of the Bonds.
- APCRDA shall take all necessary steps to preserve its status as authority and shall comply with all relevant necessary guidelines.
- No Misrepresentation.

- Pay all costs, charges and expenses in any way incurred by the Bond Trustee towards protection of Bondholders' interests.
- Increased Costs.
- Furnish all required information to trustee.
- Further Assurances.
- Ensure validity of transaction documents
- Ensure execution of further documents and acts.
- Comply with each of the Financial Terms and Conditions.
- Ensure Records and Inspection.
- Issuer to ensure that Bonds are rated by the Rating Agencies and continue to be rated during the tenure of the Bonds.
- Perform all of its respective obligations under the terms of the Transaction Documents and maintain in full force and effect each of the Transaction Documents to which it is a party.
- The Issuer agrees that it shall forward to the Bond Trustee promptly, whether a request for the same has been made or not: (i) a copy of the Statutory Auditors' and ' Annual Report of Issuer, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued; (ii) a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; (iii) a copy of all the notices, call letters, circulars, proceedings, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.
- The Issuer shall, while submitting half yearly/ annual financial results to the stock exchange disclose the following line items along with the financial results accompanied by a certificate from the Bond Trustee confirming that it has taken note of the said content and the same shall be communicated to the Bond Holder(s) on a half-yearly basis: (i) Credit rating of the Issue and change in credit rating (if any); asset cover available, in case of non convertible debt securities (ii) Asset cover available (iii) Debt- Equity Ratio of the Issuer; (iv) Previous due date for the payment of Interest / principal and whether the same has been paid or not; (v) Next due date of payment along with the amount of interest/redemption amount payable; (vi) debt service coverage ratio; interest service coverage ratio; Net Worth; Net profit after tax;
- Notify the Bond Trustee in writing no later than 5 working days of any information submission.
- The issuer shall provide periodicalstatus / performance reports within 7 (Seven) calender days of the relevant board meeting or within 45 (Forty five) calendar days of respective quarter whichever is earlier.

### **Negative Covenants**

The Issuer hereby covenants with the Bond Trustee that until the Final Settlement Date, the Issuer shall not, except as may otherwise be previously agreed to in writing by the Bond Trustee (acting upon the receipt of the prior written approval of the Majority Bond Holder(s);

(a) Merger, Restructuring Etc.

(b) Engage in or undertake any restructuring, by way of merger, de-merger, acquisition, restructuring or amalgamation, consolidation. Arrangement With Creditors/Shareholders Enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation

to any of its payment obligations in relation to the Bonds.

(c) Disposal Of Assets ; Sell, transfer, or otherwise dispose of assets/business/division in any manner whatsoever.

(d) Change Of Business Undertake any new business or diversify or any change in the general nature and conduct of its business. Further main revenue account shall strictly comply with waterfall mechanism defined in accounts agreement

(e) take any action/ commit any omission and/ or allow any action to be taken/ any omission to be committed which would result in the termination of any of the Transaction Documents;

(f) undertake that authority shall not provide third party Guarantees in violation of any of the transaction documents

(g) wind up, liquidate or dissolve its affairs;

(h) enter into any compromise or arrangement or settlement with the creditors of the Issuer.

Assessment of Adequacy of CE Structure The CE structure has been applied considering unconditional and irrevocable guarantee from GoAP towards debt obligations of APCRDA. Continuous feedback from the trustee is taken to monitor the timely repayment of the debt obligations.

### **Liquidity Position**

#### **Adequate**

The liquidity of APCRDA is supported by timely receipt of grants from GoAP for servicing the debt. Further, the liquidity cushion is also available from the DSRA along with the stipulated structure.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

| Particulars                   | Unit    | FY 25 (Provisional) | FY 24 (Provisional) |
|-------------------------------|---------|---------------------|---------------------|
| Operating Income              | Rs. Cr. | 91.25               | 115.37              |
| PAT                           | Rs. Cr. | 75.95               | 63.45               |
| PAT Margin                    | (%)     | 83.23               | 55.00               |
| Total Debt/Tangible Net Worth | Times   | 0.50                | 0.56                |
| PBDIT/Interest                | Times   | 1132.14             | 0.00                |

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>
- State Government Ratings : <https://www.acuite.in/view-rating-criteria-26.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

| Date        | Name of Instruments/Facilities   | Term      | Amount (Rs. Cr) | Rating/Outlook                                                                         |
|-------------|----------------------------------|-----------|-----------------|----------------------------------------------------------------------------------------|
| 29 Nov 2024 | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BB (CE)   Stable (Upgraded from ACUITE C)                                       |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BB (CE)   Stable (Upgraded from ACUITE C)                                       |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BB (CE)   Stable (Upgraded from ACUITE C)                                       |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BB (CE)   Stable (Upgraded from ACUITE C)                                       |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BB (CE)   Stable (Upgraded from ACUITE C)                                       |
| 30 Nov 2023 | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE C (Downgraded from ACUITE BBB+ (CE)   Stable)                                   |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE C (Downgraded from ACUITE BBB+ (CE)   Stable)                                   |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE C (Downgraded from ACUITE BBB+ (CE)   Stable)                                   |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE C (Downgraded from ACUITE BBB+ (CE)   Stable)                                   |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE C (Downgraded from ACUITE BBB+ (CE)   Stable)                                   |
| 28 Sep 2023 | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BBB+ (CE)   Stable (Upgraded from ACUITE BB+ (CE))                              |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BBB+ (CE)   Stable (Upgraded from ACUITE BB+ (CE))                              |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BBB+ (CE)   Stable (Upgraded from ACUITE BB+ (CE))                              |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BBB+ (CE)   Stable (Upgraded from ACUITE BB+ (CE))                              |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BBB+ (CE)   Stable (Upgraded from ACUITE BB+ (CE))                              |
| 29 Aug 2023 | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BB+ (CE) (Downgraded & Issuer not co-operating* from ACUITE BBB+ (CE)   Stable) |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BB+ (CE) (Downgraded & Issuer not co-operating* from ACUITE BBB+ (CE)   Stable) |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BB+ (CE) (Downgraded & Issuer not co-operating* from ACUITE BBB+ (CE)   Stable) |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BB+ (CE) (Downgraded & Issuer not co-operating* from ACUITE BBB+ (CE)   Stable) |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BB+ (CE) (Downgraded & Issuer not co-operating* from ACUITE BBB+ (CE)   Stable) |
| 01 Sep 2022 | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BBB+ (CE)   Stable (Downgraded from ACUITE A+ (CE)   Stable)                    |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BBB+ (CE)   Stable (Downgraded from ACUITE A+ (CE)   Stable)                    |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BBB+ (CE)   Stable (Downgraded from ACUITE A+ (CE)   Stable)                    |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BBB+ (CE)   Stable (Downgraded from ACUITE A+ (CE)   Stable)                    |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE BBB+ (CE)   Stable (Downgraded from ACUITE A+ (CE)   Stable)                    |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00          | ACUITE A+ (CE)   Stable (Reaffirmed)                                                   |
|             | Non-Convertible                  | Long      |                 |                                                                                        |

|             |                                  |           |        |                                      |
|-------------|----------------------------------|-----------|--------|--------------------------------------|
| 14 Jan 2022 | Debentures (NCD)                 | Term      | 400.00 | ACUITE A+ (CE)   Stable (Reaffirmed) |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00 | ACUITE A+ (CE)   Stable (Reaffirmed) |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00 | ACUITE A+ (CE)   Stable (Reaffirmed) |
|             | Non-Convertible Debentures (NCD) | Long Term | 400.00 | ACUITE A+ (CE)   Stable (Reaffirmed) |

## Annexure - Details of instruments rated

| Lender's Name  | ISIN         | Facilities                       | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Complexity Level | Rating                                                    |
|----------------|--------------|----------------------------------|------------------|-------------|---------------|-------------------|------------------|-----------------------------------------------------------|
| Not Applicable | INE01E708032 | Non-Convertible Debentures (NCD) | 16 Aug 2018      | 10.32       | 16 Aug 2026   | 400.00            | Simple           | ACUITE BBB   CE   Stable   Upgraded ( from ACUITE BB CE ) |
| Not Applicable | INE01E708040 | Non-Convertible Debentures (NCD) | 16 Aug 2018      | 10.32       | 16 Aug 2027   | 400.00            | Simple           | ACUITE BBB   CE   Stable   Upgraded ( from ACUITE BB CE ) |
| Not Applicable | INE01E708057 | Non-Convertible Debentures (NCD) | 16 Aug 2018      | 10.32       | 16 Aug 2028   | 400.00            | Simple           | ACUITE BBB   CE   Stable   Upgraded ( from ACUITE BB CE ) |
| Not Applicable | INE01E708016 | Non-Convertible Debentures (NCD) | 16 Aug 2018      | 10.32       | 16 Aug 2024   | 400.00            | Simple           | Not Applicable   Withdrawn                                |
| Not Applicable | INE01E708024 | Non-Convertible Debentures (NCD) | 16 Aug 2018      | 10.32       | 16 Aug 2025   | 400.00            | Simple           | Not Applicable   Withdrawn                                |

### \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

| Sr. No. | Company Name                                                 |
|---------|--------------------------------------------------------------|
| 1       | Andhra Pradesh Capital Region Development Authority (APCRDA) |
| 2       | Government of Andhra Pradesh                                 |

## Contacts

|                                                          |                                                                                                               |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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**Note:** None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.