



Press Release

ANDHRA PRADESH GAS DISTRIBUTION CORPORATION LIMITED (AND PRADESH)

February 07, 2024

Product	Rating Downgraded and Issuer not co-operating	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings		300.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)		300.00	-	-

Rating Rationale

Acuite has downgraded the rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB+**' (read as **ACUITE triple B plus**) on Rs.300Cr proposed bank facilities of Andhra Pradesh Gas Distribution Corporation Limited (APGDCL). The downgrade is on account of information risk. This rating is now an indicative rating as client has not submitted No Default Statement (NDS) for the past 6 months.

About the Company

Andhra Pradesh based APGDC was incorporated in 2011. APGDC is a joint venture company between GAIL Gas Limited (a wholly owned subsidiary of GAIL (India) Ltd.), a Central Government Public Sector Enterprise (PSU) and Government of Andhra Pradesh through its public sector undertakings i.e. Andhra Pradesh Gas Infrastructure Corporation Limited (APGIC), APGENCO Limited and APIIL Limited. APGDC has been authorised to lay, operate, expand Natural Gas Pipeline from Kakinada to Srikakulam (Total length of the pipeline is around 271 KM) through a bidding process carried out by Petroleum and Natural Gas Regulatory Board (PNGRB). The project is divided into 2 phases. Phase I runs from Kakinada to Vizag, which is of 169 Kms and Phase II runs from Vizag to Srikakulam, which is of 102 Kms.

Unsupported Rating

ACUITE B+.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite has also been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité

cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

Outlook: Not applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	(31.55)	(1.30)
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	0.95	0.56
PBDIT/Interest	Times	(0.11)	(1682.32)

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
29 Aug 2023	Proposed Term Loan	Long Term	300.00	ACUITE BBB+ Negative (Downgraded from ACUITE A-)
02 Jun 2022	Proposed Term Loan	Long Term	300.00	ACUITE A- (Ratings Under Watch)
27 Jan 2021	Term Loan	Long Term	200.00	ACUITE A- (CE) (Ratings Under Watch)
	Term Loan	Long Term	100.00	ACUITE A- (CE) (Ratings Under Watch)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	300.00	ACUITE BB+ Downgraded Issuer not co-operating*

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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