



Press Release

Kaleshwaram Irrigation Project Corporation Limited

July 22, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	18752.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	18752.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to **ACUITE BB- (read as ACUITE double B minus)** from **ACUITE BB (read as ACUITE double B)** on the Rs.18752.00 crore bank facilities of Kaleshwaram Irrigation Project Corporation Limited(KIPCL) on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

Kaleshwaram Irrigation Project Corporation Ltd (KIPCL) was incorporated on August 05, 2016 by the Government of Telangana (GoT) as a 100 percent owned entity to implement the Project. It is one of the world's largest lift irrigation project undertaken by Telangana state. The project envisages creating potential to irrigate 18.25 lakh acres of land and stabilize the existing reservoirs which can further irrigate 18.83 lakh acres ayacut. The project is further sub-divided to provide 169 thousand million cubic feet (TMC) Irrigation Water Supply, 10 thousand million cubic feet (TMC) of drinking water to the villages' en-route, 30 TMC of drinking water to twin cities of Hyderabad & Secunderabad and 16 TMC of water for Industrial use. The entire project has been divided into seven links each of which will convey water to different command areas through 21 pump houses covering the Project area under the 13 districts in Telangana. The present directors of the company are Mr. Hariram Bhokya, Ms. Lakshmi Venkatasubamma Lingam, Mr. Jonnada Surya Prakash, Mr. Ravi Rayi and Mr. Anil Kumar Gummadi.

Unsupported Rating

Not applicable

Non-cooperation by the issuer/borrower:

Acuite has 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 an 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.

About the Rated Entity - Key Financials

The entity has not shared the latest financial statement for Acuite to comment.

Rating Sensitivity

"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

Status of non-cooperation with previous CRA

Not applicable

Any other information

None

Applicable Criteria

- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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>

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
25 Apr 2023	Term Loan	Long Term	4657.95	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BBB+)
	Term Loan	Long Term	14093.40	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BBB+)
	Proposed Long Term Bank Facility	Long Term	0.62	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BBB+)
26 Oct 2022	Term Loan	Long Term	4657.95	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A+ (CE) Stable)
	Term Loan	Long Term	14093.40	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A+ (CE) Stable)
	Proposed Long Term Bank Facility	Long Term	0.62	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A+ (CE) Stable)
17 Aug 2021	Term Loan	Long Term	14093.40	ACUITE A+ (CE) Stable (Reaffirmed)
	Term Loan	Long Term	4657.95	ACUITE A+ (CE) Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.62	ACUITE A+ (CE) Stable (Reaffirmed)

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 Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.62	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Rural Electrification Corporation Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4657.95	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Rural Electrification Corporation Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	14093.43	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

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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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