



Press Release

Telangana State Water Resources Infrastructure Development Corporation Limited
October 23, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17000.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	17000.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

** The issuer did not co-operate; based on best available information.*

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE A+**' (read as **ACUITE A plus**) on the Rs.17,000 Cr. bank facilities of Telangana State Water Resources Infrastructure Development Corporation Limited (TSWRIDCL).

The downgraded is on account of information risk. The rating is now flagged as "Issuer Not-Cooperating" on account of information risk and is based on the best available information.

About the Company

The Government of Telangana (GoT) has incorporated a Special Purpose Vehicle (SPV) named Telangana State Water Resources Infrastructure Development Corporation Limited (TSWRIDCL or "the Company", or "the Corporation") on April 26, 2018. TSWRIDCL is 100% owned by the state government and runs irrigation projects aimed at developing droughtprone uplands and backward areas of Telangana. The irrigation projects undertaken by TSWRIDCL consist of Indiramma Flood Flow Canal Project (FFC), J.Chokka Rao Devadula Lift Irrigation Scheme and Thupakulagudem Barrage (DT or Devadula Thupakulagudem) and Sita Rama Lift Irrigation Project (SR or SRLI). All three projects together will handle around 200 TMC of water annually to serve 11.18 lakh acres of new ayacut and stabilise around 10.47 lakh acres, other than supplying 10 TMC of water for industrial use and 8 TMC for domestic purposes. The total project costs of three projects are estimated at Rs. 47,222.88 Cr which is proposed to be funded by an equity/grant of Rs. 26708.21 Cr from GoT and debt of Rs. 20514.67 Cr from commercial banks and FIs. The Flood Flow Canal Project and the Devadula Thupakulagudem Project commenced commercial operations with critical components from March, 2022. The third project, the Sitarama Lift Irrigation Project, commenced commercial operations with critical components from March, 2023.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuité 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. Acuité 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 Acuité’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 endeavored 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 22 (Provisional)	FY 21 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	(509.17)	(0.64)
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	38.95	18.33
PBDIT/Interest	Times	0.00	(4686.02)

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>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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. Acuité'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
03 Aug 2023	Term Loan	Long Term	13516.30	ACUITE A+ Stable (Reaffirmed)
	Term Loan	Long Term	1700.00	ACUITE A+ Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	783.72	ACUITE A+ Stable (Reaffirmed)
	Term Loan	Long Term	1000.00	ACUITE A+ Stable (Reaffirmed)
20 May 2022	Term Loan	Long Term	10001.60	ACUITE A+ Stable (Reaffirmed)
	Term Loan	Long Term	1700.00	ACUITE A+ Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	4298.39	ACUITE A+ Stable (Reaffirmed)
	Term Loan	Long Term	1000.00	ACUITE A+ Stable (Reaffirmed)
02 Feb 2021	Proposed Long Term Bank Facility	Long Term	5298.39	ACUITE A+ (CE) Stable (Assigned)
	Term Loan	Long Term	10001.60	ACUITE A+ (CE) Stable (Assigned)
	Term Loan	Long Term	1700.00	ACUITE A+ (CE) Stable (Assigned)

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	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	783.72	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A+)
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1000.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A+)
Rural Electrification Corporation Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13516.28	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A+)
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1700.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A+)

* The issuer did not co-operate; based on best available information.

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Moparthi Anuradha Devi Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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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