

July 29, 2022

Ayyappa Infra Projects Private Limited: Moved to Non-Cooperating category, Ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based/CC	9.00	9.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and moved to the 'Issuer Not Cooperating' category
Long Term/Short Term – Non-fund Based limits	77.50	77.50	[ICRA]BB+ (Stable)/[ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable)/[ICRA]A3+ and moved to the 'Issuer Not Cooperating' category
Long Term/Short Term – Unallocated limits	4.90	4.90	[ICRA]BB+ (Stable)/[ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable)/[ICRA]A3+ and moved to the 'Issuer Not Cooperating' category
Total	91.40	91.40	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding 'Ayyappa Infra Projects Private Limited' performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Ayyappa Infra Projects Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators [Click here](#). ICRA is unable to provide this information due to non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by a rated entity Corporate Credit Rating Methodology Rating Methodology for Construction Entities
Parent/ Group Support	Not Applicable
Consolidation/ Standalone	Not Applicable

About the company

AIPPL started as a partnership firm in 2002 and was incorporated as a private limited company in 2008 by Mr. K. Pandu Ranga Raju and others. The company is involved in construction of sewerage treatment plants (STPs), underground drains and sewerage lines, primarily for municipal bodies. AIPPL's clientele includes Public Health & Municipal Engineering Department (PHMED), Hyderabad Metropolitan Water Supplies and Sewerage Board (HMWS&SB), Greater Visakhapatnam Municipal Corporation (GVMC), Bangalore Water Supply and Sewerage Board, etc.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding March 2021 (Rs. Crore)	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					July 29, 2022			
1	Fund-based/CC	Long-Term	9.00	-	[ICRA]BB+(Stable); ISSUER NOT COOPERATING*	[ICRA]BBB (Stable)	-	[ICRA]BBB (Stable)
2	Non-fund-based facilities	Long-Term /Short-Term	77.50	-	[ICRA]BB+(Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING*	[ICRA]BBB (Stable)/ [ICRA]A3+	-	[ICRA]BBB (Stable)/ [ICRA]A3+
3	Unallocated facilities	Long-Term /Short-Term	4.90	-	[ICRA]BB+(Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING*	[ICRA]BBB (Stable)/ [ICRA]A3+	-	[ICRA]BBB (Stable)/ [ICRA]A3+

*Issuer did not cooperate; based on best available information.

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund-based/CC	Simple
Non-fund-based facilities	Very Simple
Unallocated facilities	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	9.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Bank Guarantee	NA	NA	NA	77.50	[ICRA]BB+(Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING
NA	Unallocated	NA	NA	NA	4.90	[ICRA]BB+(Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING

Source: Ayyappa Infra Projects Private Limited

Annexure-2: List of entities considered for consolidated analysis: None

ANALYST CONTACTS

Rajeshwar Burla
+91 40 4067 6527
rajeshwar.burla@icraindia.com

Ashish Modani
+91 22 6114 3414
ashish.modani@icraindia.com

Vinay Kumar G
+91 40 4067 6533
vinay.g@icraindia.com

Doddapanani Srisai Bhavya
+91 40 4067 6519
doddapanani.bhavya@icraindia.com

RELATIONSHIP CONTACT

Mr. Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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