

September 22, 2023

Tamilnadu Urban Finance and Infrastructure Development Corporation Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Bank facilities – Term loan	371.42	371.42	[ICRA]BBB+ (Negative); withdrawn
Bank facilities – Proposed	62.00	62.00	
Total	433.42	433.42	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Tamilnadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO) at the request of the company and based on the no dues certificate from the lenders in accordance with the policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click Here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Implicit Support from Parent or Group Policy on withdrawal of credit ratings
Parent/Group support	The rating factors in TUFIDCO's strategic importance to the GoTN and the expectation of timely financial support from the GoTN, if required.
Consolidation/Standalone	The rating is based on the standalone financial statements of the company.

About the company

TUFIDCO is a GoTN undertaking incorporated in 1990 and functioning under the Department of Municipal Administration and Water Supply. It is registered as a deposit accepting non-banking financial company (NBFC) with the Reserve Bank of India (RBI). TUFIDCO has not accepted deposits since FY2014, and no deposits were outstanding as of March 2022. Its main objective is to provide finance to ULBs and government corporations to create infrastructure in Tamil Nadu. Besides, TUFIDCO is appointed as the nodal agency in Tamil Nadu for managing Central Government schemes such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart Cities Mission (SCM), Metropolitan Infrastructure Development Fund (MIDF), etc., and state government schemes such as Integrated Urban Development Mission (IUDM), Singara Chennai 2.0, Kalaingar Nagarpura Mempattu Thittam (KNMT), etc.

Key financial indicators

Standalone	FY2020	FY2021	FY2022
Total income	48.4	39.3	43.6
Profit after tax	23.6	23.8	10.2
Net worth	261.1	279.1	277.4
Loan book	292.5	239.3	419.0
Total managed assets	400.2	346.4	548.4
Return on managed assets	5.3%	6.4%	2.3%
Return on net worth	9.4%	8.8%	3.7%
Managed gearing (times)	0.3	0.0	0.8
Gross stage 3	0.0%	0.0%	17.6%
Net stage 3	0.0%	0.0%	15.0%
Solvency (Net stage 3/Net worth)	0.0%	0.0%	22.6%
CRAR	76.9%	94.6%	56.6%

Source: Company, ICRA Research; All ratios as per ICRA's calculations
Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years			
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
				Sep 22, 2023	Nov 25, 2022	Aug 20, 2021	Oct 29, 2020	
1 Bank facilities – Term loan	Long term	371.42	0.00	[ICRA]BBB+ (Negative); Withdrawn	[ICRA]BBB+ (Negative)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	
Bank facilities – Proposed		62.00	0.00	[ICRA]BBB+ (Negative); Withdrawn	[ICRA]BBB+ (Negative)	[ICRA]BBB+ (Stable)	-	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Bank facilities – Term loan	Simple
Bank facilities – Proposed	Not Applicable

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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan-1	NA*	NA*	NA*	230.00	[ICRA]BBB+ (Negative); withdrawn
NA	Term loan-2	Mar 26, 2021	NA*	Mar 25, 2031	141.42	[ICRA]BBB+ (Negative); withdrawn
NA	Proposed limit	-	-	-	62.00	[ICRA]BBB+ (Negative); withdrawn

Source: Company ; *Not Available

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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