

August 25, 2023

## Tripura Natural Gas Company Limited: Rating moved to Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term Loan	104.49	104.49	[ICRA]A(Stable) ISSUER NOT COOPERATING*; moved to the 'Issuer Not Cooperating' category
Long Term – Non-Fund Based – Bank Guarantee	23.00	23.00	[ICRA]A(Stable) ISSUER NOT COOPERATING*; moved to the 'Issuer Not Cooperating' category
<b>Total</b>	<b>127.49</b>	<b>127.49</b>	

<sup>^</sup>Instrument details are provided in Annexure I

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

### Rationale

The rating of Tripura Natural Gas Company Limited (TNGCL) has been moved to Issuer Non-Cooperating category and is based on no updated information on the entity's performance since the time it was last rated in May 2022. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating does not adequately reflect the credit risk profile of the entity. The entity's credit profile may have changed since the time it was last reviewed by ICRA; however, in the absence of requisite information, ICRA is unable to take a definitive rating action.

As part of its process and in accordance with its rating agreement with TNGCL, 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, Key financial indicators and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical Approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy in respect of non-co-operation by the rated entity</a> <a href="#">Rating Methodology for CGD Companies</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the rated entity.

### About the company

TNGCL has been involved in the city gas distribution (CGD) business in and around Agartala, Tripura, for a long time. It received the authorisation for two new GAs (the rest of West Tripura district, excluding the pre-existing Agartala GA and the Gomati district of Tripura) in FY2019. TNGCL supplies piped natural gas (PNG) to domestic, commercial and industrial consumers, and compressed natural gas (CNG) to automobile users. It is a joint venture among GAIL, TIDCL, a Government of Tripura undertaking, and AGCL, a Government of Assam undertaking. GAIL holds a 48.98% stake in TNGCL, while TIDCL and AGCL each holds 25.51%. The company was established in 1990 as a joint venture between TIDCL and AGCL. In 2005, GAIL became a

shareholder of TNGCL to implement gas distribution projects in Tripura. The company has a presence in the PNG segment since its inception and it entered the CNG business in 2007.

### Status of non-cooperation with previous CRA:

CRA's	PR Date	Rating Action
CRISIL	May 24, 2023	CRISIL B+ /Stable (ISSUER NOT COOPERATING*)

*\*Issuer did not cooperate; based on best-available information; Rating continues to be 'CRISIL B+/Stable Issuer not cooperating'*

Any other information: None

### Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Amount outstanding March 31, 2022 (Rs. Crore)	Date & rating in FY2024		Date & rating in FY2022		Date & rating in FY2021	
				August 25, 2023	May 31, 2022	-	Feb 9, 2021	Jan 29, 2021	
1 Term Loan	Long-term	104.49	2.8	[ICRA]A(Stable); ISSUER NOT COOPERATING	[ICRA]A(Stable)	-	[ICRA] (Stable)	[ICRA](Stable)	
2 Bank Guarantee	Long-term	23.00	-	[ICRA]A(Stable); ISSUER NOT COOPERATING	[ICRA]A(Stable)	-	[ICRA] (Stable)	-	

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Term Loan	Simple
Bank Guarantee	Very Simple

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 Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loans	FY2021	NA	FY2033	104.49	[ICRA]A(Stable); ISSUER NOT COOPERATING
NA	Bank Guarantee	NA	NA	NA	23.00	[ICRA]A(Stable); ISSUER NOT COOPERATING

Source: Company

[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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## About ICRA Limited:

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