

December 08, 2023

Tripura Natural Gas Company Limited: Rating downgraded; Continues to remain in Issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term Loan	104.49	104.49	[ICRA]BB+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A(Stable) ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Long Term – Non-Fund Based – Bank Guarantee	23.00	23.00	[ICRA]BB+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A(Stable) ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Total	127.49	127.49	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is attributable to the lack of adequate information regarding Tripura Natural Gas Company 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 Tripura Natural Gas Company Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Despite multiple 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, the rating has been continued to the “Issuer Not Cooperating” category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators : [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	Corporate Credit Rating Methodology Policy in respect of Non-cooperation by a rated entity Rating Methodology for CGD Companies
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements 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	Amount Rated (Rs. crore)	Current Rating (FY2024)		Chronology of Rating History for the past 3 years						
			Amount Outstanding as of March 31, 2023 (Rs. crore)	Date & Rating in		Date & Rating in FY2023		Date & Rating in FY2022		Date & Rating in FY2021	
				Dec 8, 2023	August 25, 2023	May 31, 2022	-	Feb 9, 2021	Jan 29, 2021		
1	Term Loan	104.49		[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]A(Stable); ISSUER NOT COOPERATING	[ICRA]A(Stable)	-	[ICRA]A(Stable)	[ICRA]A(Stable)		
2	Bank Guarantee	23.00	-	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]A(Stable); ISSUER NOT COOPERATING	[ICRA]A(Stable)	-	[ICRA]A(Stable)			

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

Complexity level of the rated instrument

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

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Term Loans	FY2021	NA	FY2033	104.49	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Bank Guarantee	NA	NA	NA	23.00	[ICRA]BB+(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:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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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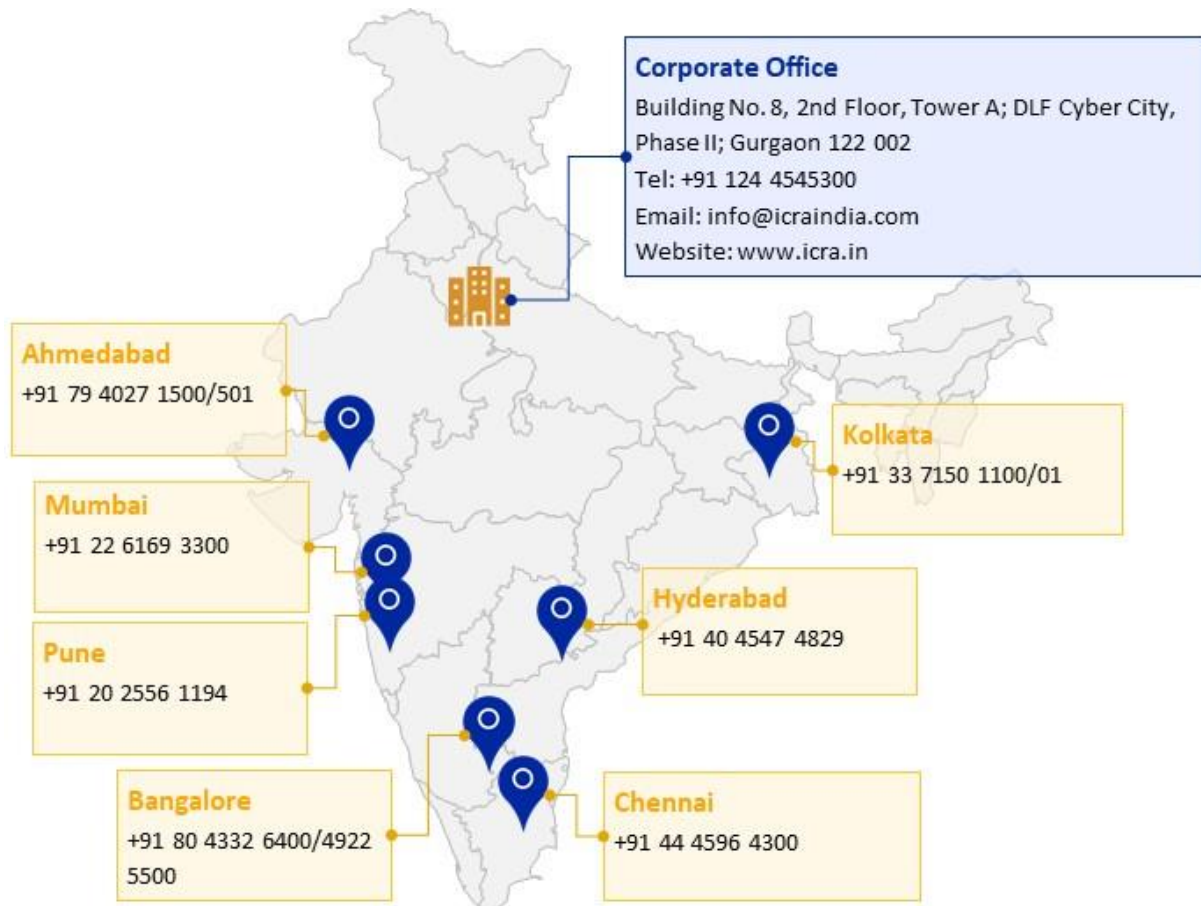
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