Hyderabad Ring Road Projects Private Limited

April 05, 2018

Ratings

<table>
<thead>
<tr>
<th>Facilities</th>
<th>Amount (Rs. crore)</th>
<th>Rating</th>
<th>Rating Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term Bank Facilities</td>
<td>185.11 (reduced from 265.13)</td>
<td>CARE D [Single D]</td>
<td>ISSUER NOT COOPERATING</td>
</tr>
<tr>
<td>Total Facilities</td>
<td>185.11 (Rupees One Hundred Eighty Five Crore and Eleven Lakh only)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Details of facilities in Annexeure-1

Detailed Rationale & Key Rating Drivers

Hyderabad Ring Road Projects Private Limited has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE’s rating on Hyderabad Ring Road Projects Private Limited’s bank facilities will now be denoted as CARE D; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings take into account delays in debt servicing by the company.

Detailed description of the key rating drivers

At the time of last rating on January 06, 2017 the following were the rating weaknesses:

Key Rating Weaknesses

The company is receiving semi-annual annuities from Hyderabad Growth Corridor Limited with significant delays. The company has received annuities till June 2016. The delays in receipts of annuities have led to tight liquidity position resulting in delays in debt servicing.

Analytical approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook to Credit Ratings
CARE’s Policy on Default Recognition
Rating Methodology - Infrastructure Sector Ratings
Financial ratios – Non-Financial Sector

About the Company

Hyderabad Ring Road Project Private Limited (HRRP) is a special purpose vehicle (SPV) promoted by the consortium of Era Infra Engineering Limited (EIEL, rated CARE D) and Induni CIE SA (Induni), for executing and operating a 8-lane expressway (Narsingi to Kollur from km 0 to km 12 package) under Phase-II of outer ring road project of Hyderabad Growth Corridor Limited (HGCL, in which 74% stake is held by Hyderabad Metropolitan Development Authority (HMDA)) on Build Operate Transfer (BOT - Annuity) basis.

The project, initially envisaged to be completed in June 2010, was delayed significantly primarily due to land acquisition issues and provisional COD was received with effect from March 30, 2012. The project delay, in turn, resulted in cost overrun and Rs.600.33 crore had been incurred on the project as on March 31, 2015 as against the initially envisaged cost of Rs.390.02 crore. The concession period of the project is of 15 years from the appointed date, which is December 12, 2007.

Brief Financials (Rs. crore)

<table>
<thead>
<tr>
<th></th>
<th>FY16 (A)</th>
<th>FY17 (A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating income</td>
<td>62.03</td>
<td>62.13</td>
</tr>
<tr>
<td>PBILDT</td>
<td>58.55</td>
<td>57.23</td>
</tr>
<tr>
<td>PAT</td>
<td>-59.48</td>
<td>-57.89</td>
</tr>
<tr>
<td>Overall gearing (times)</td>
<td>-2.75</td>
<td>-2.49</td>
</tr>
</tbody>
</table>

1 Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications
Interest coverage (times) | 0.89 | 0.90

A: Audited;

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer
CARE’s ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure 1
Details of Facilities :-

<table>
<thead>
<tr>
<th>Name of the Instrument</th>
<th>Date of Issuance</th>
<th>Coupon Rate</th>
<th>Maturity Date</th>
<th>Size of the Issue (Rs. crore)</th>
<th>Rating assigned along with Rating Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Based - LT-Term Loan</td>
<td>-</td>
<td>-</td>
<td>February 2022</td>
<td>185.11</td>
<td>CARE D</td>
</tr>
</tbody>
</table>

Annexure 2
Rating History for last three years :-

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Instrument/Bank Facilities</th>
<th>Type</th>
<th>Amount Outstanding (Rs. crore)</th>
<th>Rating</th>
<th>Date(s) &amp; Rating(s) assigned in 2017-2018</th>
<th>Date(s) &amp; Rating(s) assigned in 2016-2017</th>
<th>Date(s) &amp; Rating(s) assigned in 2015-2016</th>
<th>Date(s) &amp; Rating(s) assigned in 2014-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fund Based - LT-Term Loan</td>
<td>LT</td>
<td>185.11</td>
<td>CARE D; ISSUER NOT COOPERATING</td>
<td>1)CARE D (29-04-2016)</td>
<td>2)CARE D; (06-01-2017)</td>
<td>1)CARE BB (19-05-2015)</td>
<td>-</td>
</tr>
</tbody>
</table>
Press Release

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CIN - L67190MH1993PLC071691