

## Adilabad Expressway Private Limited

January 04, 2023

### Rating

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	160.43	CARE D (Single D)	Reaffirmed
<b>Total Bank Facilities</b>	<b>160.43</b> <b>(₹ One Hundred Sixty Crore and Forty-Three Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1.

### Detailed rationale and key rating drivers

The rating assigned to the bank facilities of Adilabad Expressway Private Limited (AEPL) continues to factor delays in servicing of the debt obligation owing to stretched liquidity position of the company.

### Rating sensitivities

#### Positive factors – Factors that could lead to positive rating action/upgrade:

Ability of the company to meet the curing period guidelines as stipulated by SEBI

### Detailed description of the key rating drivers

#### Key rating weaknesses

##### Delay in Debt Servicing:

Tightly matched annuity amounts received from NHAI towards debt servicing obligations compounded with significant amount of deduction in 17th annuity by NHAI during May 2018 on account of delay in completing its first major maintenance which was due in FY2016, resulted in severe cashflow mismatch leading to strain in liquidity and delay in debt servicing obligations.

##### Liquidity: Poor

Liquidity of the company is poor. The company has been making defaults in the interest payments and it has been classified as NPA with lenders.

### Analytical approach: Standalone

#### Applicable criteria

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Annuity Road Projects](#)

[Infrastructure Sector Ratings](#)

#### About the company

Adilabad Expressway Private Limited (AEPL) is a special purpose vehicle (SPV) promoted by Soma Enterprise Limited (5.59%) along with its road holding company Soma Tollways Private Limited (94.40%), to design, construct, operate, and maintain a road stretch of 55 km of four lane on NH—7 in Telangana on an Annuity basis. The concession period for the project is 20 years including 2 years of construction period. The project commenced operations on June 24, 2010 against the scheduled project completion date of November 2, 2009. The company received provisional completion certificate, however due to delay in achieving the commercial operations, the increase in project cost was funded through short term loan of Rs 24 crore and balance was brought in by the promoters. As per CA with NHAI, AEPL is eligible to receive semi-annual annuity of Rs.31.48 crore from NHAI from 180 days from the occurrence of COD. The company has received 26 annuity installments till November 02, 2022.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23(UA)
Total operating income	23.98	23.76	NA
PBILDT	18.31	-3.83	NA
PAT	-0.22	-7.97	NA
Overall gearing (times)	31.05	-59.04	NA
Interest coverage (times)	0.96	-0.22	NA

A: Audited UA: Unaudited NA: Not Available

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

**Rating history for the last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	20/06/2023	160.43	CARE D

#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	160.43	CARE D	1)CARE D (01-Apr-22)	1)CARE D (04-Jun-21)	1)CARE D; ISSUER NOT COOPERATING* (08-May-20)	-

\*Long term/Short term.

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Nil

**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

#### Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

## Contact us

### Media contact

Name: Mradul Mishra

Phone: +91-22-6754 3596

E-mail: [mradul.mishra@careedge.in](mailto:mradul.mishra@careedge.in)

### Analyst contact

Name: Nivedita Anirudh Ghayal

Phone: 9908090944

E-mail: [nivedita.ghayal@careedge.in](mailto:nivedita.ghayal@careedge.in)

### Relationship contact

Name: Ramesh Bob Asineparthi

Phone: +91-22-67543404

E-mail: [saikat.roy@careedge.in](mailto:saikat.roy@careedge.in)

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,  
please visit [www.careedge.in](http://www.careedge.in)**