

## Ramky Elsamex Hyderabad Ring Road Limited

February 17, 2021

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	0.00	Withdrawn	Withdrawn
Short Term Bank Facilities	0.00	Withdrawn	Withdrawn
<b>Total Facilities</b>	<b>0.00</b>		

\*Details in Annexure I.

### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE BBB-; Stable; (Triple B minus; Outlook: Stable) assigned to the bank facilities of Ramky Elsamex Hyderabad Ring Road Limited (REHRL) with immediate effect. The above action has been taken at the request of REHRL and 'No Dues Certificate' received from the lenders that have extended the facilities rated by CARE.

**Analytical approach:** Not Applicable

**Applicable Criteria**

[Policy on Withdrawal of ratings](#)

### About the Company

Ramky Elsamex Hyderabad Ring Road Limited (REL) is a Special Purpose Vehicle (SPV) incorporated on July 18, 2007 by Ramky Infrastructure Ltd (Ramky, rated CRISIL D on February 27, 2020) and Elsamex SA a Spanish engineering and Construction Company and a subsidiary of IL&FS Transportation Networks Limited (IND D and ICRA D; Issuer Not Cooperating), which held 74% and 26% stake in the company respectively. Ramky Infrastructure Limited in its letter dated November 29, 2020 informed Stock exchanges (BSE & NSE) that it has acquired the 26% stake of Elsamex SA, whereby REL became a wholly owned subsidiary. The project was awarded for design, construct, develop, finance, operate and maintain eight-lane access-controlled expressway under Phase II -A program in the Hyderabad city for a stretch of 12.63 km from Tukkuguda (Km 121) to Shamshabad (Km 133.63), under the Build, Operate & Transfer (BOT) Annuity Basis by HMDA (erstwhile Hyderabad Urban Development Authority – HUDA). The Concession Agreement was signed between HMDA and REL on August 18, 2007 for a concession period of 15 years, which includes 30 months of construction period. The project was awarded based on the lowest semi-annual annuity quote of Rs 31.50 crore along with a construction grant of Rs 66.50 crore. The total project cost was estimated at Rs 399.37 crore, which was envisaged to be funded by promoter contribution of Rs 45 crore, Grant of Rs 66.50 crore and term loans of Rs 287.87 crore at a Debt Equity ratio of 2.58:1 (after considering grant from HMDA as equity). The project was completed and received Provisional Completion Certificate dated March 31, 2010 retrospective from November 26, 2009 against the Scheduled Project Completion Date (SPCD) of May 27, 2010. Hence, REL was eligible for bonus of one annuity payment on account of early completion of project. Further, REL received final completion certificate retrospective from September 16, 2010. The Company and HMDA had issues related to claim on the bonus annuity for early completion of the project, which was not able to resolve by the Independent consultant. Hence, the company had invoked arbitration, which is provided under 39.2 clause of the concession agreement through its letter dated August 10, 2012. The Hon'ble Arbitral Tribunal in their order dated June 18, 2018 has conveyed that the HMDA (Respondents) has to pay the company a total claim of Rs 168.37 crore within three months from the date of the award failing which the HMDA shall pay interest as per SBI PLR on the said amount till the realization of the entire payment. However HMDA did not make the payment as per the stipulated timeline of the order.

Brief Financials	FY19 (A)	FY20 (A)
Total operating income	49.23	43.11
PBILDT	26.17	20.64
PAT	5.32	1.39
Overall gearing (times)	2.53	4.07
Interest coverage (times)	1.42	1.04

A: Audited

**Status of non-cooperation with previous CRA: Non-cooperation with other CRA(s):** ICRA Ltd vide its press release dated June 26, 2015 has suspended rating on account of lack requisite information to carry out review.

**Any other information:** Not Applicable

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

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**Covenants of rated instrument / facility:** 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	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	1)CARE BBB-; Stable (05-Jan-21) 2)CARE BBB-; Stable (16-Jul-20) 3)CARE BB+; Stable (12-May-20)	1)CARE BB-; Stable (04-Apr-19)	-	1)CARE D (28-Mar-18)

**Annexure-3: Detailed explanation of covenants of the Rated instrument / Facilities:** Not applicable

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

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

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

## Contact us

### Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

### Analyst Contact

Group Head Name – Mr. Prasanna Krishnan

Group Head Contact no.- +91-040-6793 7421

Group Head Email ID- [prasanna.krishnan@careratings.com](mailto:prasanna.krishnan@careratings.com)

### Business Development Contact

Name: Mr. Ramesh Bob

Contact no.:+91-040-6793 7400

Email ID: [ramesh.bob@careratings.com](mailto:ramesh.bob@careratings.com)

### 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 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. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.