

Adilabad Expressway Private Limited

January 22, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|---------------------------|--------------------------------|---------------------|---------------|
| Long-Term Bank Facilities | 64.07 (Reduced from 108.00) | CARE D | Reaffirmed |

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

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

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- The ability of the company to meet the curing period guidelines as stipulated by SEBI

Analytical approach: Standalone

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 a significant amount of deduction in the 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

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

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Road Assets-Annuity
Construction
Infrastructure Sector Ratings

About the company and industry

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 NH7 in Telangana on 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. As per the concession agreement with NHAI, AEPL is eligible to receive a semi-annual annuity of Rs.31.48 crore from NHAI from 180 days from the occurrence of COD. The company received 30 Annuity instalments till Nov 02, 2024.

Industry classification

| Macro-Economic Indicator | Sector | Industry | Basic Industry |
|--------------------------|----------|--------------------------|---|
| Services | Services | Transport Infrastructure | Road Assets-Toll, Annuity, Hybrid-Annuity |

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

| Brief Financials (₹ crore) | March 31, 2022 (A) | March 31, 2023 (A) | March 31, 2024 (A) |
|----------------------------|--------------------|--------------------|--------------------|
| Total operating income | 23.76 | 74.74 | 23.36 |
| PBILDT | -3.83 | 3.93 | 12.12 |
| PAT | -7.97 | -10.37 | -0.32 |
| Overall gearing (times) | -73.83 | -12.92 | -10.00 |
| Interest coverage (times) | -0.22 | 0.23 | 0.89 |

A: Audited UA: Unaudited N.A: Not Available; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: ICRA has continued the rating assigned to the bank facilities of Adilabad Expressway Private Limited under Issuer Not Cooperating category vide press release dated June 26, 2024, on account of its inability to review in the absence of the requisite information from the entity.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

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 and Rating Outlook |
|---------------------------|------|-------------------------------|-----------------|----------------------------|-----------------------------|------------------------------------|
| Fund-based - LT-Term Loan | | - | - | 20/06/2023 | 64.07 | 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 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 |
| 1 | Fund-based - LT-Term Loan | LT | 64.07 | CARE D | - | 1)CARE D (19-Jan-24) | 1)CARE D (04-Jan-23) 2)CARE D (01-Apr-22) | 1)CARE D (04-Jun-21) |

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

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

Annexure-5: Lender details

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

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

Contact us

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