

Hazaribagh Ranchi Expressway Limited

May 31, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Senior Non-Convertible Debentures (NCDs) – Series A	458.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Subordinate Non-Convertible Debentures (NCDs) – Series B	143.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Long-Term Instruments	601.00 (Rs. Six Hundred One Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated April 04, 2019, placed the ratings of Hazaribagh Ranchi Expressway Ltd. (HREL) under the 'issuer non-cooperating' category as HREL had failed to provide information for monitoring of the rating for the rating exercise as agreed to in its Rating Agreement. HREL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls including emails dated April 24, 2022, May 04, 2022 and May 14, 2022. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

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

Detailed description of the key rating drivers

At the time of last rating on June 08, 2021 the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies and National Stock Exchange):

Key Rating Weaknesses

Default in debt servicing obligation: There has been delays in servicing the debt obligations since April 2019. As per auditor's report as on March 31, 2021 and publication dated April 14, 2022 on the NSE, HREL continues to default on its debt repayment obligations.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning 'outlook' and 'credit watch' to credit ratings](#)

[Financial Ratios – Non financial Sector](#)

[Rating Methodology-Infrastructure Sector](#)

About the Company

Hazaribagh-Ranchi Expressway Limited (HREL) was incorporated on March 19, 2009, as a Special Purpose Vehicle promoted by IL&FS Transportation Networks Limited (ITNL; CARE D; Issuer Not Cooperating); holding 99.99% and Punj Lloyd Limited holding the balance. The company entered into a Concession Agreement (CA) with National Highway Authority of India (NHAI) on October 8, 2009 for the purpose of designing, constructing and maintaining the 4-laning of the Hazaribagh - Ranchi section of NH-33 from 40.50 km to 114.00 km in Jharkhand on a Build Operate Transfer (BOT) - Annuity basis. The concession period is for 18 years commencing from the appointed date, including construction period of 910 days.

HREL achieved provisional completion on September 15, 2012 and received first annuity of Rs.64.08 crore (semi-annual) in July 2013. The project was completed ahead of time and Commercial Operation Date (COD) was achieved 134 days ahead of scheduled project completion which entitled HREL to receive the early completion bonus of Rs.47.00 crore which was received in FY14. HREL completed the construction of project stretch in August 2014 and received the project completion certificate in April 2015.

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

*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (Published)
Total operating income	99.85	94.14	60.26
PBILDT	73.87	24.94	50.85
PAT	73.85	33.46	50.83
Overall gearing (times)	NM	NM	NA
Interest coverage (times)	NM	NM	NM

A: Audited; NM: Not Meaningful; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE526S07056, INE526S07064, INE526S07072, INE526S07080, INE526S07098, INE526S07106, INE526S07114, INE526S07122, INE526S07130, INE526S07148, INE526S07155, INE526S07163, INE526S07171, INE526S07189, INE526S07197, INE526S07205, INE526S07213	February 14, 2017	8.50%	Apr-14-2027	458.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE526S07254, INE526S07262, INE526S07270, INE526S07288, INE526S07296, INE526S07304, INE526S07312, INE526S07320, INE526S07338, INE526S07346, INE526S07353, INE526S07361, INE526S07379, INE526S07387, INE526S07395, INE526S07403, INE526S07411	February 14, 2017	8.75%	Apr-14-2027	143.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

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 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Debentures-Non Convertible Debentures	LT	458.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (08-Jun-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (16-Apr-19) 2)CARE C (CWN); ISSUER NOT COOPERATING* (04-Apr-19)
2	Debentures-Non Convertible Debentures	LT	143.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (08-Jun-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (16-Apr-19) 2)CARE C (CWN); ISSUER NOT COOPERATING* (04-Apr-19)

*Issuer did not cooperate; Based on best available information

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 instrument	Complexity level
1	Debentures-Non Convertible Debentures	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 instrument: CARE Ratings Ltd. 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
Contact no.: +91-22-6754 3573
Email ID: mradul.mishra@careedge.in

Analyst Contact

Name: Puja Jalan
Contact no.: 9160001511
Email ID: puja.jalan@careedge.in

Relationship Contact

Name: Saikat Roy
Contact no.: +91-98209 98779
Email ID: saikat.roy@careedge.in

About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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