

**Thrissur Expressway Ltd**

May 04, 2020

**Ratings**

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long term Bank Facilities	505.18	<b>CARE D; ISSUER NOT COOPERATING*</b>	Reaffirmed
<b>Total</b>	<b>505.18</b> <b>(Rs. Five hundred and five crores and</b> <b>eighteen lakhs only)</b>		

*Details of instruments/facilities in Annexure-1*
**Detailed Rationale & Key Rating Drivers**

CARE had, vide its press release dated December 11, 2018 placed the rating of Thrissur Expressway Private Ltd (TEL) under the 'issuer non-cooperating' category as TEL had failed to provide information for monitoring of the rating. TEL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated April 21, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE'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).***

The ratings take into account delay in debt servicing owing to delay in project execution.

**Detailed description of the key rating drivers**

*At the time of last rating on December 11, 2018 the following were the rating strengths and weaknesses*

**Key rating weakness**

***Delays in meeting the debt obligations due to delay in the project execution:*** There have been delays meeting debt obligations primarily due to delay in the execution of project on account of delay in land acquisition.

**Key rating strengths**

***Established track record of the group and sponsors as a developer of various BOT-based roads:*** KMC Constructions Limited (KMCCCL) of the KMC group is an integrated construction, infrastructure development and management company headquartered in Hyderabad, India. The company is engaged in the business of construction and development of road projects. The group has more than four decades of track record in building large infrastructure projects in road sector and execution track record of more than 15,000 km of road. China Railway 18th Bureau (Group) Co., Ltd (CR18G) is one the largest enterprises in the construction industry globally. It has executed EPC contracts and managed infrastructure assets across the world. For TEL, CR18G is a technical partner to KMC and is not involved in obtaining sponsor undertakings. KMCCCL and KMCIL together are the sponsors for TEL.

**Analytical approach:** Standalone

**Applicable Criteria**

**Policy in respect of Non-cooperation by issuer**

**CARE's Policy on Default Recognition**

**Rating methodology-Toll Road Projects**

**Financial ratios – Non-Financial Sector**

**About the Company**

Incorporated on April 08, 2009, Thrissur Expressway Ltd (TEL) is an Special Purpose Vehicle [SPV, (incorporated as Thrissur Expressway Private Limited and subsequently changed to public limited company)] for the purpose of 6-laning of the Vadakancherry-Thrissur section of NH-47 design change from km 236.135 to km 264.490 km (28.355 km length) in the state of Kerala on Design-Build-Finance-Operate (DBFO) basis, under the Concession Agreement (CA) from NHAI.

Currently, KMCIL hold around 90% equity stake in TEL and CR18G holds the balance 10%. At the end of September 2017, TEL has achieved financial progress of 89.69% (against 100% targeted by end of September 2017) and cumulative physical progress achieved at the end of September is 87.64% (against 100% targeted at the end of September 2017).

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

\*Issuer did not cooperate; Based on best available information

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

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	409.90	179.54
PBILDT	0.00	0.00
PAT	0.00	0.00
Overall gearing (times)	58.21	55.67
Interest coverage (times)	NM	NM

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

**Any other information:** NA

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

#### 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	-	-	March 2029	505.18	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; 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 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	505.18	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1) CARE D; ISSUER NOT COOPERATING* (11-Dec-18)	1) CARE D (26-Oct-17) 2) CARE BB-; Stable (03-May-17)

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

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto: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.

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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.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**