Hazaribagh Ranchi Expressway Limited

June 08, 2021

Ratings

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 in Annexure-1

Detailed Rationale & Key Rating Drivers

Hazaribagh Ranchi Expressway Limited (HREL) has not serviced its debt obligations since April 2019. The same has been confirmed by the Debenture Trustee to CARE, as part of CARE's due diligence and from the publication made by HREL on NSE. CARE has also received monthly NDS till May 2021, stating defaults in the debt servicing.

CARE had, vide its press release dated April 4, 2019 and April 16, 2019, placed the ratings of Hazaribagh Ranchi Expressway Limited (HREL) under the 'issuer non-cooperating' category as HREL had not paid the surveillance fees 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 phone calls and e-mails dated May 9, 2021 and May 29, 2021, among others.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information.

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

Please refer to last PR date June 23, 2020

Analytical approach: Standalone

Applicable Criteria

Policy in Respect of Non-cooperation by Issuer
CARE's Policy on Recognition of Default
Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings
Rating Methodology: Factoring Linkages in Ratings
Financial Ratios – Non-Financial Sector
Rating Methodology – Infrastructure Sector

About the Company

Hazaribagh-Ranchi Expressway Limited was incorporated on March 19, 2009, as a Special Purpose Vehicle promoted by ITNL; 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 (rated 'CARE AAA; Stable') 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

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications*
**Issuer did not cooperate; Based on best available information*

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.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	91.95	99.85
PBILDT	-121.54	73.87
PAT	-165.40	73.85
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited; NM: Not Meaningful

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: Not Applicable

Complexity level of various instruments rated for this company: Annexure 3

Annexure-1: Details of Instruments

Name of the Instrument	ISINs	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	April 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	April 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	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Debentures-Non Convertible Debentures	LT	458.00	CARE D; ISSUER NOT COOPERATING*	-	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)	1)CARE C (CWN) (11-Mar-19) 2)CARE BB (SO) (CWN) (30-Jan-19) 3)CARE AAA (SO) (CWN) (24-Oct-18) 4)CARE AAA (SO) (CWN) (05-Oct-18)
2.	Debentures-Non Convertible Debentures	LT	143.00	CARE D; ISSUER NOT COOPERATING*	-	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)	1)CARE C (CWN) (11-Mar-19) 2)CARE BB (SO) (CWN) (30-Jan-19) 3)CARE AAA (SO) (CWN) (24-Oct-18) 4)CARE AAA (SO) (CWN) (05-Oct-18)

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

Annexure 3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple

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. Investors/market intermediaries/regulators or others are welcome to write to 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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