



## Rating Rationale

TD Toll Road Pvt Ltd

3<sup>rd</sup> May 2019

Brickwork Ratings revises the ratings for the Bank Loan Facilities of Rs.272.00 Crores of TD Toll Road Pvt. Ltd. (TDTRPL) based on best available information and feedback received from bank, as the issuer did not cooperate. Accordingly, the rating for the said bank loan facility is revised as under:

### Particulars

Facility	Amount (₹ Crores)		Tenure	Rating*	
	Previous	Present		Previous (Mar'19)	Present
Term Loan	272.00	272.00	Long Term	Issuer did not Cooperate; BWR BB-(SO) (Outlook: Stable)	Issuer did not Cooperate; BWR D (Downgraded)
<b>Total</b>	<b>272.00</b>	<b>272.00</b>	INR Two Hundred Seventy-Two Crores Only		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings  
Issuer did not co-operate; based on best available information

### Ratings: Downgraded

#### Nature of Non-co-operation:

The rating was due for a review in January 2019. BWR took up with the issuer to provide required information over emails dated 12<sup>th</sup> & 18<sup>th</sup> Feb 2019, 15<sup>th</sup> Mar 2019 and 29<sup>th</sup> Apr 2019 and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the Issuer/Company, BWR is unable to assess the Issuer's/Company's financial performance and its ability to service its debt and maintain a valid rating.

The rating was downgraded and moved to Issuer did not cooperate category in March, 2019. While the company has still not furnished the information required for the review, the banker has now conveyed that the rated loan account has been classified as a substandard asset. Accordingly, the ratings for the said facilities have been revised to BWR D (Issuer did not cooperate).

**Limitations of the rating:** Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

3<sup>rd</sup> May 2019



### Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

### About the Company (Information as available in Jan 2018)

TDTRPL was incorporated in March 2007 as a wholly owned subsidiary of R Infra to implement the project for strengthening and widening the existing 2-lane stretch of NH 45 from Trichy to Dindigul to 4- lane. The project has been awarded by NHAI on BOT basis with a concession period of 30 years commencing from January 15, 2008. The total length of the project stretch is 88.273 kms and it serves as a main connecting corridor for the Southern Districts of Tamil Nadu with Chennai. The project road meets NH-67 at Trichy which connects western and eastern regions of Tamil Nadu and passes through cities like Coimbatore, Thanjavur etc. The company's debt repayment period was elongated for 14 years commencing from 2012, instead of 12.5 years (as per the original schedule).

### Company Financial Performance

The Company has achieved Rs.31.70 Crs of operating revenue in FY18, as against Rs.33.15 Crs in FY17, due to decline in the toll collections. The company continue to incur loss of Rs.12.56 Crs in FY18 which has reduced compared to the loss of Rs.13.14 Crs incurred in FY17, mainly due to high borrowing cost. RInfra has infused further funds in the form of subordinate debt which has increased from Rs.15.25 Crs as on FY17 to Rs.32.95 Crs as on FY18 and total debt was at Rs.267.42 Crs as of FY18 after repayment of Rs.16.12 Crs during FY18. The Company's TNW increased to Rs.77.61 Crs, due to promoters' sub debt being considered as quasi equity.

### Rating History for the last three years (including withdrawn/suspended ratings)

S.No	Instrument /Facility	Current Rating			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating^	Mar 2019	Feb 2018	Nov 2016
1	Term Loan	Long Term	272.00	Issuer did not Cooperate; BWR D	Issuer did not Cooperate; BWR BB-(SO) (Outlook: Stable)	BWR BBB-(SO) (Outlook: Stable)	BWR BBB-(SO) (Outlook: Stable)
	<b>Total</b>		<b>272.00</b>	INR Two Hundred Seventy-Two Crores Only			

^Issuer did not co-operate; based on best available information

Status of non-cooperation with previous CRA (if applicable)-Reason and comments: NA

3<sup>rd</sup> May 2019

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website

### **TD Toll Road Pvt Ltd** **Annexure I**

Particulars	Units	2018	2017
Net Sales/Revenues	₹ Cr	31.70	33.15
EBIDTA	₹ Cr	16.83	16.19
PAT	₹ Cr	-12.56	-13.14
Tangible Net-worth	₹ Cr	77.61	72.59
Total Debt: TNW	Times	3.45	3.91
Current Ratio	Times	0.19	0.11

*Note: As per best information available with BWR*

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**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

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BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

**DISCLAIMER**

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