

Press Release

HCC-AI Faraa JV

July 16, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 220.00 Cr. #
Long Term Rating	ACUITE B+ Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has reviewed long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 220.00 crore bank facilities of HCC-AI Faraa JV (HAJV). This rating is now an indicative rating and is based on best available information.

HCC - Alfaraa JV (HAJV) is a joint venture entity between Hindustan Construction Company Limited (HCC) and Alfaraa Infraprojects Private Limited (AIPL) with profit sharing ratio of 51:49, HCC is the lead member in the joint venture. HAJV is formed for the construction of Pune metro rail project under Project -1. HAJV is responsible for construction, testing and commissioning of the permanent works which will include designing and construction of nine metro stations for Pune Metro Corridor -I. The construction of metro rail is spread over 11.570 Kms of elevated line including nine stations. The total cost of the project is Rs.497.09 crore which is expected to be funded through equity of Rs.10.00 crore, working capital facility of Rs.242.27 crore and ~Rs.49 crore interest free loans from Maharashtra Metro Rail Corporation Limited (MMRCL) for mobilization and cash flow support. HAJV signed the Letter of Acceptance with MMRCL on November 11, 2017 and the project is expected to be completed by December 2019.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Entities in Infrastructure Sector- <https://www.acuite.in/view-rating-criteria-14.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
20-Jun-2018	Proposed Cash Credit	Long Term	50.00	ACUITE B+/Stable (Assigned)
	Proposed Bank Guarantee	Short Term	120.00	ACUITE A4 (Assigned)
	Proposed Letter of Credit	Short Term	50.00	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE B+ Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	120.00	ACUITE A4 Issuer not co-operating*
Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE A4 Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuite Ratings & Research:

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