

## Press Release

HCC-Al Faraa JV

March 17, 2023



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE B+   Reaffirmed   Issuer not co-operating*	-
Bank Loan Ratings	170.00	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	220.00	-	-

### Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and the short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 220.00 crore bank facilities of HCC-Al Faraa JV. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

### About the Company

Mumbai based, HCC - Al Faraa JV 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. It was established in 2017. HCC is the lead member in the joint venture. It is formed for the construction of Pune metro rail project under Project – 1. It is responsible for construction, testing and commissioning of the permanent works which will include designing and construction of 09 Metro stations for Pune Metro Corridor – I. The project was directed by Mr Manjunath Bhat.

### Non-cooperation by the issuer/borrower:

Acuite 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 the due date. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

### 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). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite 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.

### **Rating Sensitivity**

"No information provided by the issuer / available for Acuite to comment upon."

### **Material Covenants**

Not Applicable

### **Liquidity Position**

"No information provided by the issuer / available for Acuite to comment upon."

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

Not Applicable

### **Status of non-cooperation with previous CRA**

None

### **Any other information**

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

### **Applicable Criteria**

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

### **Note on Complexity Levels of the Rated Instrument**

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

### **Rating History**

<b>Date</b>	<b>Name of Instruments/Facilities</b>	<b>Term</b>	<b>Amount (Rs. Cr)</b>	<b>Rating/Outlook</b>
27 Dec 2021	Proposed Letter of Credit	Short Term	50.00	ACUITE A4 ( Issuer not co-operating*)
	Proposed Cash Credit	Long Term	50.00	ACUITE B+ ( Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	120.00	ACUITE A4 ( Issuer not co-operating*)
07 Oct 2020	Proposed Cash Credit	Long Term	50.00	ACUITE B+ (Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	50.00	ACUITE A4 (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	120.00	ACUITE A4 (Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	120.00	ACUITE A4   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	ACUITE B+   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	ACUITE A4   Reaffirmed   Issuer not co-operating*

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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