

# NIRMAL BOT LIMITED

(A subsidiary of Highway Concessions One Pvt. Ltd.)



16<sup>th</sup> June, 2021.

To,  
BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai- 400001

Ref: Scrip Code: 947022

**Sub:** Submission of Audited Financial Results for the Financial Year ended 31<sup>st</sup> March, 2021 under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Dear Sir/Madam,

Pursuant to the provisions of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations"), we wish to inform the Exchange that the Audited Financial Results for the year ended 31<sup>st</sup> March, 2021 has approved by the Board of Directors of the Company at its Meeting held on Tuesday, 15<sup>th</sup> June, 2021.

In this regard, please find enclosed the following:

- I. Audited Financial Results of the Company accompanying Auditors' Report thereon for the year ended 31<sup>st</sup> March, 2021. The said results containing the information required under Regulation 52(4).
- II. Declaration by the Director pursuant to Regulation 52(3)(a) of the Listing Regulations;

Kindly take on record and acknowledge the same.

Thanking you,  
Yours faithfully,

For **Nirmal BOT Limited**

A handwritten signature in blue ink, appearing to read "KShah".

**Kunjal Shah**  
Company Secretary & Compliance officer

Place: Mumbai

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**Regd. Office:**

316-317, 'C' Wing, Kanakia Zillion,  
L.B.S. Road, BKC Annex, Kurla (W), Mumbai – 400 070.  
Tel: +91 22 61073200 • Fax: +91 22 61073201  
CIN No. U45201MH2006PLC164728  
Web: www.nirmalbot.com

**Project Office:**

AP-8 (BOT) Road Project, Survey No. 553/2 & 554/2,  
Toll Plaza, Gamjal (Vill.), Soan (PO & Mand),  
Nirmal (Dist.) – 504 105, Telangana, India  
Tel: +91 8734 202283 • Fax: +91 8734 202284

## INDEPENDENT AUDITOR'S REPORT

To  
Board of Directors,  
Nirmal BOT Limited

We have audited the accompanying statement of financial results of Nirmal BOT Limited ("the Company") for the year ended March 31, 2021 (the statement) attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These financial results which are the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of related financial statements, which is in accordance with Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these financial results based on our audit.

We conducted our audit in accordance with the Auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us on these financial results:

- (i) have been presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and SEBI circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 in this regard; and
- (ii) give a true and fair view in conformity with aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information for the year ended March 31, 2021.

Date: June 15, 2021  
Place: New Delhi

For Luthra & Luthra LLP  
Chartered Accountants,  
Reg. No. 002081N/N500092

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AGRAWAL

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Naresh Agrawal  
Partner  
(M. No. 504922)  
UDIN: 21504922AAAAACV6119

Nirmal BOT Limited

CIN: L45201MH2006PLC164728

Registered Office: 316-317, C Wing, Kanakia Zillion, LBS Road, BKC Annexe, Kurla (west), Mumbai - 400070

Balance Sheet as at March 31, 2021

(Rs. In Lacs)

	As At March 31, 2021 (Audited)	As At March 31, 2020 (Audited)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
(a) Property, plant and equipment	77.50	72.70
(b) Financial Assets		
(i) Loans	6.00	4.60
(ii) Other Financial Assets	15,607.20	15,032.40
(c) Non-current tax asset	102.70	249.40
(d) Other Non Current Assets	-	-
<b>Total Non-Current Assets</b>	<b>15,793.40</b>	<b>15,359.10</b>
<b>Current Assets</b>		
(a) Financial Assets		
(i) Investments	602.70	1,262.90
(ii) Trade Receivables	36.40	18.00
(iii) Cash & Cash Equivalents	160.20	343.10
(iv) Other Financial Assets	4,883.60	4,856.80
(b) Other Current Assets	64.40	51.20
<b>Total Current Assets</b>	<b>5,747.30</b>	<b>6,532.00</b>
<b>TOTAL ASSETS</b>	<b>21,540.70</b>	<b>21,891.10</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Share Capital	3,150.00	3,150.00
(b) Other Equity	(222.90)	(1,504.80)
<b>Total Equity</b>	<b>2,927.10</b>	<b>1,645.20</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	15,641.00	17,351.00
(b) Provisions	3.70	4.10
(c) Deferred tax liabilities (net)	43.70	87.40
<b>Total Non-Current Liabilities</b>	<b>15,688.40</b>	<b>17,442.50</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	0.80	0.90
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises	441.60	658.80
(ii) Other Financial Liabilities	2,313.10	2,096.80
(b) Other current liabilities	18.80	46.60
(c) Provisions	0.30	0.30
(d) Current tax liabilities (net)	150.60	-
<b>Total Current Liabilities</b>	<b>2,925.20</b>	<b>2,803.40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,540.70</b>	<b>21,891.10</b>



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Nirmal BOT Limited  
CIN: L45201MH2006PLC164728  
Registered Office: 316-317, C Wing, Kanakia Zillion, LBS Road, BKC Annexe, Kurla (west), Mumbai - 400070

Statement of Audited Financial results for the year ended March 31, 2021

Rs in Lakhs

Particulars	Half Year Ended	Half Year Ended	Year to Date Ended	Year Ended
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Audited)	(Audited)	(Audited)	(Audited)
<b>1 Income from Operations</b>				
(a) Revenue from Operation	5,033.30	2,148.90	6,467.50	6,269.30
(b) Other Income	1,375.90	489.82	1,568.00	898.00
<b>Total Income</b>	<b>6,409.20</b>	<b>2,638.72</b>	<b>8,035.50</b>	<b>7,167.30</b>
<b>2 Expenses</b>				
(a) Sub-contracting expenses	3,885.10	560.02	4,166.10	796.40
(b) Employee benefits expense	27.60	21.29	56.70	50.10
(c) Finance costs	862.00	934.50	1,762.40	1,902.80
(d) Depreciation and amortization expense	5.80	5.35	11.70	10.50
(e) Other expenses	289.00	500.36	475.90	3,336.70
<b>Total Expenses</b>	<b>5,069.50</b>	<b>2,021.52</b>	<b>6,472.80</b>	<b>6,096.50</b>
<b>3 Profit/(Loss) before exceptional items and tax</b>	<b>1,339.70</b>	<b>617.20</b>	<b>1,562.70</b>	<b>1,070.80</b>
<b>Exceptional Items</b>	443.80	-	-	-
<b>Profit/(Loss) before tax</b>	<b>895.90</b>	<b>617.20</b>	<b>1,562.70</b>	<b>1,070.80</b>
<b>4 Tax Expense:</b>	(170.46)	(103.14)	(281.79)	(149.81)
	<b>(170.46)</b>	<b>(103.14)</b>	<b>(281.79)</b>	<b>(149.81)</b>
<b>5 Profit/(Loss) after tax</b>	<b>725.44</b>	<b>514.06</b>	<b>1,280.91</b>	<b>920.99</b>
Other Comprehensive Income	0.95	0.37	0.95	0.37
<b>6 Total comprehensive Income for the period</b>	<b>726.39</b>	<b>514.43</b>	<b>1,281.88</b>	<b>921.37</b>
<b>7 Earning per Equity Share:</b>				
- Basic	2.31	1.63	4.07	2.92
- Diluted	2.31	1.63	4.07	2.92
<b>8 Ratios</b>				
Paid-up equity share capital (Face Value of Rs. 10 each)	3,150.00	3,150.00	3,150.00	3,150.00
Reserves excluding revaluation reserves	(222.90)	(1,504.80)	(222.90)	(1,504.80)
Net Worth	2,927.10	1,645.20	2,927.10	1,645.20
Secured Debt	14,201.00	15,638.00	14,201.00	15,638.00
Debt Equity Ratio	2.25	2.48	2.25	2.48
Debenture Redemption Reserve	-	-	-	-
Debt Service Coverage Ratio (Adjusted)	1.10	0.95	1.04	0.91
Interest Service Coverage Ratio (Adjusted)	2.05	1.67	1.89	1.57
Assets Coverage Ratio	1.43	1.31	1.43	1.31



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### Notes to audited Financial Results for the year ended 31st March, 2021

- 1 The aforesaid results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on **15th June, 2021**
- 2 The 9.38% Listed, Rated Taxable Redeemable Non-Convertible Debentures of Rs.10 Lacs each aggregating to Rs. 27600 Lacs (outstanding as on 31.03.2021-Rs.14,201/- Lacs) are secured against first charge on Moveable & Immoveable properties of the Company as defined in the Debenture Trust Deed dated 16th December 2010.
- 3 The Company has not received any complaints from the investors during the year and hence, there were no investor complaints outstanding at the beginning and at the end of the year.
- 4 There are no deviations in the use of proceeds received from the issue of Rated Taxable Redeemable Non-Convertible Debentures.
- 5 Credit Rating of the Company is AAA (Stable) done by CARE dated 18th September, 2020.
- 6 The payment of Interest and redemption amount which was due on **18th November, 2020 and paid on 18th November, 2020.**
- 7 In past, arbitration award for bonus annuity and penalty for delay in first periodic maintenance completion (against which NHAI has withheld Rs. 712.07 lacs from annuity in April 2018 ) was decided in the favour of the Company and matter was referred to Conciliation Committee of Experts. On 18th September 2020, the Company has entered into settlement agreement with NHAI to settle the both claims for Rs. 4035 lakhs (inclusive of all taxes).

Majority amount of settlement claim was contractually payable to EPC contractor. While preparing the financial results for half year ended September 30, 2020 it was expected that certain portion of the settlement amount may not be payable to EPC contractor and accordingly recorded as income (under exceptional item). Lateron, the company has agreed to pay entire settlement amount to EPC Contractor. Accordingly income recognised in half year ended September 30, 2020 has been reversed subsequently.

- 8 The Ministry of Corporate Affairs has amended the provisions of Rule 18 of Companies (Share Capital and Debenture) Rules, 2014 vide notification dated 5th June, 2020, has exempted to create Debenture Redemption Reserve (DRR) to listed companies having private placed of debt securities. Hence the Company is not required to create DRR. However, the Company is regular in redeeming Debentures matured during the year and also an amount of Rs. 2,380 lakhs is kept in Fixed Deposit as security.
- 9 The financial results have been prepared in accordance with the Ind AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
- 10 Due to changes in accounting principles from IGAAP to Ind AS, reported profit before interest, depreciation & tax got reduced during the period causing Debt Service Coverage Ratio to reduce below 1. However, cash generated from the operations of the company are sufficient to repay debt and interest thereon.
- 11 The definitions of ratio / formulas used for actual computation are as follows:  
Debt Equity Ratio = Total Debt by way of NCDs / Equity (Incl. Quasi Equity in the form of Promoter's Contribution)  
Debt Service Coverage Ratio = (Profit before interest, Depreciation and Tax + Interest on NCDs + Principal Repayment of NCDs) / (Interest on NCDs + Principal Repayment of NCDs)  
Interest Service Coverage Ratio = Profit before interest, Depreciation and Tax / (Interest).  
Asset Coverage Ratio = (Total Assets-Intangible Assets)-(Current Liabilities-Short term debt)/Total Debt Obligation.
- 12 Previous year figures have been re-grouped, re-worked and re-classified wherever necessary, to make them comparable with current year/period figures.

**For and on behalf of the Board of Directors  
Nirmal BOT Limited**

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**Narayanan Doraiswamy  
Director  
DIN : 03169791**

Place : Mumbai  
Date: 15th June, 2021



# NIRMAL BOT LIMITED

(A subsidiary of Highway Concessions One Pvt. Ltd.)



16<sup>th</sup> June, 2021.

To,  
BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai- 400001

Ref: Scrip Code: 947022

Subject:- Declaration pursuant to Regulation 52(3)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 52(3)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, I, Narayanan Doraiswamy, Director of Nirmal BOT Limited (CIN: L45201MH2006PLC164728) having its Registered Office at Unit No 316 & 317, C Wing, Third Floor, Kanakia Zillion, LBS Marg, BKC Annexe Mumbai Mumbai City MH 400070 India, do hereby declare that, the Statutory Auditors of the Company have submitted the Audit Reports with an unmodified opinion for Audited Financial Results of the Company for the financial year ended 31<sup>st</sup> March, 2021.

Kindly take this declaration on your record.

For Nirmal BOT Limited

A handwritten signature in blue ink, appearing to read "Narayanan Doraiswamy".

**Narayanan Doraiswamy**  
Director  
DIN:- 03169791

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**Regd. Office:**

316-317, 'C' Wing, Kanakia Zillion,  
L.B.S. Road, BKC Annex, Kurla (W), Mumbai – 400 070.  
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Toll Plaza, Gamjal (Vill.), Soan (PO & Mand),  
Nirmal (Dist.) – 504 105, Telangana, India  
Tel: +91 8734 202283 • Fax: +91 8734 202284

**No. CARE/HO/RL/2020-21/2565**

**Shri Praveen Kumar**  
**Chief Financial Officer**  
**Nirmal BOT limited**  
316-317, 'C' Wing, Kanakia Zillion  
L.B.S. Road, BKC Annex,  
Kurla (W),  
Mumbai, Maharashtra 400070

September 18, 2020

**Confidential**

Dear Sir,

**Credit rating for Non-Convertible Debenture issue**

On the basis of recent developments including operational and financial performance of your Company for FY20 (Audited) and Q1FY21 (Unaudited), our Rating Committee has reviewed the following ratings:

Sr. No.	Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
1.	Non-Convertible Debentures	149.36 (Reduced from 163.48)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed, removed from credit watch
	<b>Total Instruments</b>	<b>149.36 (Rs. One Hundred Forty-Nine Crore and Thirty-Six Lakhs Only)</b>		

- HCOPL had entered into a share purchase agreement in October 2019 with Maple Highways for sale of entire stake of Nirmal BOT Limited (NBL) and the management had expected the sale to conclude by March 2020. However, due to COVID-19 induced nationwide lockdown since March 2020, the validity of the agreement lapsed and there has been no renewal thereafter. Consequently, the rating has been removed from Credit Watch.
- The NCDs are repayable in unequal semi-annual instalments till May 2026.
- The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is

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

enclosed for your perusal as **Annexure**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by September 22, 2020 , we will proceed on the basis that you have no comments to offer.

5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
7. 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.
8. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell, or hold any securities.

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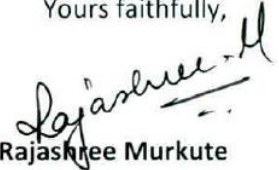
If you need any clarification, you are welcome to approach us in this regard.

Thanking you,



**Ritika Shah**  
Analyst  
[ritika.shah@careratings.com](mailto:ritika.shah@careratings.com)

Yours faithfully,



**Rajashree Murkute**  
Associate Director  
[rajashree.murkute@careratings.com](mailto:rajashree.murkute@careratings.com)

Encl.: As above

**Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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.

**Annexure  
Press Release  
Nirmal BOT Limited**

**Ratings**

Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Non-Convertible Debentures	149.36 (reduced from Rs.163.48 crore)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed, removed from credit watch
<b>Total</b>	<b>149.36 (Rupees One hundred and forty-nine crore and thirty six lakh only)</b>		

*Details of instruments in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

The ratings assigned to the long term non-convertible debentures of Nirmal BOT Limited (NBL) were placed on 'Credit Watch with Developing Implications' on account of an announcement by NBL vide a publication dated October 24, 2019 on the Bombay Stock Exchange (BSE), for the proposed sale of entire stake held by Highway Concessions One Private Limited (HCOPL, current 100% holding company) in NBL to Maple Highways Pte Ltd (MHPL) vide Share Purchase Agreement dated October 22, 2019. The transaction was subject to approvals from National Highways Authority of India (NHAI) and Life Insurance Corporation of India (LIC, the debenture holder) and the management expected it to conclude by March 2020. However, due to COVID-19 induced nationwide lockdown since March 2020, the validity of the agreement lapsed and there has been no renewal thereafter. Consequently, the rating has been removed from Credit Watch.

The rating assigned to the instrument of NBL continues to derive strength from the structured payment mechanism whereby biannual annuity is received from the National Highways Authority of India (NHAI, rated 'CARE AAA; Stable') in an escrow account for servicing of the NCDs. The rating derives comfort from the long track record of timely receipt of annuity payments, comfortable liquidity position of the company and good condition of the road reflected by full annuity receipts post completion of major maintenance activity undertaken in FY20. The rating also factors in the presence of Major Maintenance Reserve Account (MMRA) and Debt Service Reserve Account (DSRA) throughout the debt service period along with adequate operations and maintenance (O&M) expenses and major maintenance (MM) expenses assumed in the base case.

Rating Sensitivities

*Negative Factors*

- Deterioration in the credit profile of NHAI and occurrence of force majeure events
- Non-receipt/delayed/reduced receipt of annuities
- Non-adherence of the structured payment mechanism

**Outlook: Stable**

**Detailed description of the key rating drivers**

**Key Rating Strengths**

**Structured payment mechanism for Non-Convertible Debentures (NCDs):** The NCD program is based on the discounting of future NHAI annuity receivables of the company which in the absence of any revenue risk imparts significant comfort to the issue. The NCD's credit profile is also enhanced by an escrow mechanism as per the terms of the concession agreement to ensure proper utilization of annuity receipts and adherence to certain covenants, which

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

further protect the interests of the debenture holders. However, any deterioration in the credit profile of NHAI (rated CARE AAA; Stable) could have a material adverse impact on the credit quality of the debentures.

The company is in receipt of timely NHAI annuity payments from April 2010 onwards. The bi-annual annuities of Rs.23.80 crore fall due on 29th April and 29th October each year. In FY19, NHAI had deducted an amount of approximately Rs.7.1 crore from the first semi-annual annuity as a penalty towards delay in carrying out 1<sup>st</sup> major maintenance due in FY15. In this regard, the Company had invoked arbitration on 12 January 2018 against the levy of damages by NHAI and the arbitration tribunal on 21 August 2019 unanimously overturned the penalty. NHAI is required to refund the penalty amount with interest to NBL, as per settlement agreement dated September 18, 2020. Nevertheless, NBL was insulated from the penalty impact by way of an indemnity from HCC, the previous sponsor, in respect of first major maintenance works.

**Creation of Major Maintenance Reserve Account (MMRA) and Debt Service Reserve Account (DSRA):** The company envisages major maintenance expenditure to be incurred every fifth year with first major maintenance to be undertaken five years from the COD (i.e. in FY15) as specified in Concession Agreement(CA). Second major maintenance was completed in FY2020 within estimated expenditure of Rs.33 crore. In order to prevent any stress on the cash flows in the year of major maintenance, NBL has regularly been funding the Major Maintenance Reserve Account (MMRA). MMRA balance stands at Rs.9.14 crore as on June 30, 2020.

Additionally, NBL has also created a fund based debt service reserve account (DSRA) for an amount equal to one annuity of the project ie, Rs.23.80 crore (DSRA as on June 30, 2020 was Rs.24.13 crore, which includes applicable interest). The balance in the DSRA acts as an additional safeguard to the debenture holders.

**Low counterparty credit risk:** Incorporated by the Government of India (Gol) under an Act of the Parliament as a statutory body, NHAI functions as the nodal agency for development, maintenance and management of the national highways in the country. NHAI is vested with executive powers for developing national highways in India by the Ministry of Road Transport & Highways (MoRTH). The mission of NHAI is to meet the nation's need for the provision and maintenance of national highway network to world standards within the strategic policy framework as set by Gol. NHAI's rating factors in the high level of support that it receives from Gol due to its strategic importance as the country's nodal agency for implementing various road sector projects including various phases of National Highways Development Programme (NHDP). The outlook on NHAI reflects the outlook on the sovereign, whose direct and indirect support continues to be the key rating driver. By virtue of being a quasi-government body, the risk arising from NHAI defaulting on the annuity payments is negligible. Any adverse variation in the credit profile of NHAI will influence the revenue visibility of various road projects and will be a key rating sensitivity for NBL.

**Long operational history:** The project received the provisional completion certificate from NHAI on July 22, 2009 and has been receiving timely annuity payments from NHAI since then. The final completion certificate was received on October 3, 2018.

**Adequate major maintenance and O&M expenses:** Under the present structure, HCC (the previous sponsor) and HCOPL (current holding company) have provided a joint, several, unconditional and irrevocable undertaking to the debenture trustee to (i) make good any shortfall in meeting O&M/MM expenses, in case they exceed the budgeted numbers and (ii) make good any shortfall in annuity receipt from NHAI to NBL if such deduction is due to non-compliance in meeting O&M obligations under the concession agreement as observed by the independent consultant. Any overrun in O&M and MM expenses, vis-à-vis amounts as envisaged by the company is critical from credit perspective. However, the base case assumptions towards O&M and MM expenses are higher than CARE 's industry aggregates and therefore, the debt service coverage indicators are resilient even in various stressed scenarios.

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#### Liquidity Analysis:

**Liquidity: Strong** - Liquidity is marked by fixed semi-annual annuity payments of ~Rs.24 crore and linked semi-annual debt repayments having an amount lower than the amount of annuities. Comfortable liquidity position is also reflected by the cash and cash equivalents of Rs.47.13 crore [including DSRA (in the form of fixed deposit) of Rs.24.13 crore, MMRA (in mutual funds) of Rs.9.14 crore, other IDFC mutual fund investments of Rs.13.70 crore (including major maintenance retention money of Rs.4 crore) and free cash and bank balance of Rs.0.17 crore] outstanding as on June 30, 2020. Further, there is no other external debt present in the company, only interest on subordinate debt of Rs.31.50 crore from the holding company HCOPL having fixed interest at 12%.

**Analytical approach:** CARE has analysed NBL's credit profile by considering the structured payment mechanism; [biannual annuity is received from the National Highways Authority of India (NHAI) (rated 'CARE AAA; Stable' for bonds) in an escrow account for servicing of the NCD] and adequate built in liquidity cushions with favourable credit protection mechanisms.

#### **Applicable Criteria**

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology - Infrastructure Sector Ratings](#)

[Financial Ratios - Non Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

#### **About the Company**

Nirmal BOT Limited (NBL) is a special purpose vehicle (SPV) which was incorporated on September 19, 2006, to undertake improvement, rehabilitation/strengthening of the existing two-lane road of the Kadthal-Armur section [278 km to 308 km of National Highway (NH)-7] and widening it to four-lane divided carriageway on a Build, Operate and Transfer (BOT) - annuity basis. The concession is for a period of 20 years from the Commencement Date as per Concession Period, i.e., October 30, 2007, including a 24-month implementation period.

NBL was promoted by HCC Concessions Ltd (HCC-Con), a step-down subsidiary of HCC. On December 5, 2014, HCC-Con had announced sale of its 100% stake in NBL (including all assets and liabilities) to Highway Concessions One Private Limited (HCOPL). HCOPL had acquired 74% upfront and the balance 26% stake was transferred in March 2019 upon receipt of requisite approval from NHAI.

As on October 24, 2019, NBL had announced the sale of entire stake held by HCOPL to Maple Highways Pte Ltd [a subsidiary of Caisse de dépôt et placement du Québec (CDPQ), a Canadian pension fund manager]. However, due to COVID-19 induced lockdown in the country, the agreement lapsed and as confirmed by company there was no renewal thereafter.

<b>Brief Financials (Rs. crore)</b>	<b>FY19 (A)</b>	<b>FY20 (A)</b>
Total operating income	30.03	70.29
PBILDT	23.07	28.46
PAT	-0.03	9.21
Overall gearing (times)	NM	NM
Interest coverage (times) (for senior debt)	1.41	1.87
Interest coverage (times) (for senior and subordinate debt)	1.12	1.50

A: Audited; NM: Not Meaningful; Note: The financials are classified as per CARE's internal standards

**Status of non-cooperation with previous CRA:** Not Applicable

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**Any other information:** Not Applicable

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

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

**Complexity level of various instruments rated for this company:** Annexure 4

**Annexure-1: Details of Instruments**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE784J07019	December 16, 2010	9.38	May 18, 2026	149.36	CARE AAA; Stable

**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	-	-	-	-	-	-
2.	Debentures-Non Convertible Debentures	LT	149.36	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (05-Nov-19)	1)CARE AAA (SO); Stable (07-Feb-19)	1)CARE AAA (SO); Stable (23-Jan-18)

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities**

Non-Convertible Debentures	Detailed explanation
<b>A. Financial covenants</b>	
<b>I. Debt service coverage ratio (DSCR)</b>	Minimum DSCR of 1.20 to be maintained throughout the tenure of the NCD issue
<b>II. Subordinate debt repayment</b>	Subordinate debt to not be repaid until full repayment of NCDs.
<b>III. Debt Service Reserve Account (DSRA) and Major Maintenance Reserve Account (MMRA)</b>	Funded DSRA equivalent to one semi-annuity ie Rs.23.80 crore and MMRA as per projections given in business plan to be created and maintained
<b>B. Non-financial covenants</b>	
<b>I. No Guarantee</b>	No guarantees to be given to any third party
<b>II. Winding up</b>	Debenture trustee to be promptly informed if an application of winding up is made against NBL.
<b>III. No acquisitions</b>	The company shall not acquire any entity, unless permitted by Concession Agreement.

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#### Annexure 4: Complexity level of various instruments rated for this company

Sr No	Name of 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. 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.

#### Disclaimer

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