

August 26, 2024

Shimla Tolls and Projects Pvt. Ltd.: Continues to remain under issuer Non-Cooperating category, Rating downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Term Loan	32.00	32.00	[ICRA]D;ISSUER NOT COOPERATING*; Rating downgraded from[ICRA]C; ISSUER NOT COOPERATING and continues to remain under ‘Issuer Not Cooperating’ category.
Long Term – Non-Fund Based - Others	1.50	1.50	[ICRA]D;ISSUER NOT COOPERATING*; Rating downgraded from[ICRA]C; ISSUER NOT COOPERATING and continues to remain under ‘Issuer Not Cooperating’ category.
Long Term-Fund Based- Cash Credit	5.15	5.15	[ICRA]D;ISSUER NOT COOPERATING*; Rating downgraded from[ICRA]C; ISSUER NOT COOPERATING and continues to remain under ‘Issuer Not Cooperating’ category.
Total	38.65	38.65	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is attributable to the lack of adequate information regarding Shimla Tolls and Projects Pvt. Ltd. Performance and there was some delay in servicing of debt obligations of the term loan by the company and Special mention account (SMA) reporting with the bank, owing to weak liquidity based on publicly available information, hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.”

As part of its process and in accordance with its rating agreement with Shimla Tolls and Projects Pvt. Ltd., ICRA has been trying to seek information from the entity to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity’s management has remained noncooperative. In the absence of the requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the “Issuer Not Cooperating” category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Policy on default Recognition Corporate Credit Rating Methodology Rating Methodology - Roads – BOT Toll
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Shimla Tolls & Projects Pvt. Ltd. (STPPL) is a special purpose vehicle (SPV) promoted by Shri Parmod Sood (44.16%), Shri Kawaljeet Singh Duggal (49.16%), M/s P. K. Construction Shimla Pvt. Ltd. (6.67%) and M/s A.N.S. Constructions Ltd. (0.01%) to develop the parking complex at lift area in Shimla with a parking capacity of 700 car spaces through public private partnership (PPP) on design, build, operate and transfer (DBOT) basis. The project was awarded by Himachal Pradesh Infrastructure Development Board (HPIDB), for a concession period of 30 years. The concession agreement between the Shimla Municipal Corporation (Authority) and STPPL (Concessionaire) was signed on February 26, 2011. In FY2020, the company reported a net loss of Rs. 1.5 crore on an OI of Rs. 3.6 crore compared to a net loss of Rs. 2.0 crore on an OI of Rs. 2.2 crore in the previous year.

Key financial indicators:

Standalone	FY2022	FY2023
Operating Income (Rs. crore)	3.75	5.57
PAT (Rs. crore)	-1.40	0.53
OPBDITA/OI (%)	87.11%	84.60%
PAT/OI (%)	-37.19%	9.56%
Total Outside Liabilities/Tangible Net Worth (times)	6.62	5.86
Total Debt/OPBDITA (times)	11.53	7.53
Interest Coverage (times)	1.04	1.65

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years				
	Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in FY 2024	Date & Rating in FY 2023	Date & Rating in FY 2022		
			26 Aug, 2024	27 Jun, 2023	20 May, 2022	15 Dec 2021	05 May, 2021	03 May 2021
1 Fund Based – Term Loan	Long Term	32.00	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C	[ICRA]C
2 Non-Fund Based - Others	Long Term	1.50	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C	[ICRA]C
3 Fund Based- Cash Credit	Long Term	5.15	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund Based – Term Loan	Simple
Non-Fund Based - Others	Very Simple
Fund Based- Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based – Term Loan	May 2017	-	Mar 2027	32.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Non-Fund Based - Others	-	-	-	1.50	[ICRA]D; ISSUER NOT COOPERATING
NA	Fund Based- Cash Credit	-	-	-	5.15	[ICRA]D; ISSUER NOT COOPERATING

Source: Shimla Tolls and Projects Pvt. Ltd.

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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