

June 10, 2021

National Highways Authority of India: Short-term rating reaffirmed and withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term Borrowing Programme for 2021-22	65,000	65,000	[ICRA]AAA (Stable); outstanding
Long Term Borrowing Programme for 2020-21	65,000	65,000	[ICRA]AAA (Stable); outstanding
Long Term Borrowing Programme for 2018-19	61,217	61,217	[ICRA]AAA (Stable); outstanding
Long-term Borrowing Programme for 2017-18 (excluding 54 EC Bonds)	43,876	43,876	[ICRA]AAA (Stable); outstanding
Long-term Borrowing Programme for 2016-17	27,545	27,545	[ICRA]AAA (Stable); outstanding
Tax-free Bonds – 2015-16	19,000	19,000	[ICRA]AAA (Stable); outstanding
Fund based- Overdraft	2,000	0.0	[ICRA]A1+; reaffirmed and withdrawn
Total	2,83,638	2,81,638	

*Instrument details are provided in Annexure-1

Rationale

The rating of [ICRA]A1+ assigned to the overdraft limits of National Highways Authority of India (NHAI) has been reaffirmed and withdrawn at the request of the company and based on the no objection from the lender, in accordance with ICRA's policy on withdrawal of credit ratings. The outstanding rating of [ICRA]AAA (Stable) assigned to the long-term borrowing programme and tax-free bonds of NHAI continues.

The Key rating drivers, Liquidity position, Rating sensitivities and Key financial indicators have not been captured. The previous detailed rating rationale is available at the following link: [Rationale](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology BOT Toll Road Projects in India Impact of Parent or Group Support on an Issuer's Credit Rating ICRA Policy on Withdrawal and Suspension of Credit Rating Consolidation and Rating Approach
Parent/Group Support	Parent: Government of India (GoI) The assigned rating factors in the strategic importance of NHAI for the GoI and its strong operational and financial linkages; it receives support from the GoI in the form of cess allocation, plough back of project revenues and additional budgetary support; ICRA expects the Government to extend timely financial support to NHAI, as and when required
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of NHAI with its subsidiary—DME Development Limited as NHAI has provided letter of comfort to support the project over the entire tenure of the project loan. Refer Annexure-2

About the company

NHAI is an autonomous authority constituted by an Act of Parliament, the National Highways Authority of India Act, 1988. It operates under the MoRTH and is responsible for the development, maintenance and management of the national highways in India. The authority was operationalised in February 1995. NHAI is also entrusted with the responsibility of implementing NHDP, Bharatmala Pariyojana and other programmes approved by the GoI such as SARDP-NE and special projects across various states.

In October 2017, the GoI has approved Phase-1 of Bharatmala Pariyojana involving national highway development of around 34,800 km. Out of 34,800 km of total length, 24,800 km is for Bharatmala Pariyojana and 10,000 km for balance work under NHDP. NHAI is also responsible for undertaking the Bharatmala Pariyojana along with MoRTH.

Key financial indicators (audited)

NHAI Consolidated	FY2018	FY2019	FY2020 (Provisional)
Operating Income (Rs. crore)	12.57	10.36	NA
PAT (Rs. crore)	-379.21	-457.54	-49,231.27
OPBDIT/OI (%)	Negative	Negative	NA
PAT/OI (%)	Negative	Negative	NA
Total Outside Liabilities/Tangible Net Worth (times)	0.92	1.14	NA
Total Debt/OPBDIT (times)	Negative	Negative	NA
Interest Coverage (times)	Negative	Negative	NA

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2021 (Rs. crore)	Date & Rating		Date & Rating in FY2021		Date & Rating in FY2020	Date & Rating in FY2019
					10-Jun-21	5-Apr-21	17-Apr-20	2-Apr-20	29-May-19	4-Apr-18
1	Tax Free Bonds 2015-16	Long-term	19,000	19,000	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
2	Long Term Borrowing Programme for 2016-17	Long-term	27,545	27,545	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
3	Fund-based (Overdraft)	Short-term	2,000	-	[ICRA]A1+; Reaffirmed and Withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
4	Long Term Borrowing Programme for 2017-18	Long-term	43,875	43,875	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
5	Long Term Borrowing Programme for 2018-19	Long-term	61,217	61,217	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
6	Long Term Borrowing Programme for 2020-21	Long-term	65,000	65,000	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-
7	Long Term Borrowing Programme for 2021-22	Long-term	65,000	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Short-term Fund based- Overdraft	Simple
Long Term Borrowing Programme for 2021-22	Simple
Long Term Borrowing Programme for 2020-21	Simple
Long Term Borrowing Programme for 2018-19	Simple
Long-term Borrowing Programme for 2017-18	Simple
Long-term Borrowing Programme for 2016-17	Simple
Tax-free Bonds – 2015-16	Very 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 analyzing 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: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
INE906B07EE9	Tax-Free Bonds (2015-16)	18.09.2015	7.11%	18.09.2025	549	[ICRA]AAA(Stable)
INE906B07EF6		18.09.2015	7.28%	18.09.2030	3,323	[ICRA]AAA(Stable)
INE906B07EG4		11.01.2016	7.14%	11.01.2026	686	[ICRA]AAA(Stable)
INE906B07EH2		11.01.2016	7.39%	11.01.2026	656	[ICRA]AAA(Stable)
INE906B07EI0		11.01.2016	7.35%	11.01.2031	5,983	[ICRA]AAA(Stable)
INE906B07EJ8		11.01.2016	7.60%	11.01.2031	2,675	[ICRA]AAA(Stable)
INE906B07EK6		18.02.2016	7.02%	18.02.2026	455	[ICRA]AAA(Stable)
INE906B07EL4		18.02.2016	7.39%	18.02.2031	1,373	[ICRA]AAA(Stable)
INE906B07EM2		09.03.2016	7.04%	09.03.2026	98	[ICRA]AAA(Stable)
INE906B07EN0		09.03.2016	7.29%	09.03.2026	192	[ICRA]AAA(Stable)
INE906B07EO8		09.03.2016	7.39%	09.03.2031	1,882	[ICRA]AAA(Stable)
INE906B07EP5		09.03.2016	7.69%	09.03.2031	1,128	[ICRA]AAA(Stable)
INE906B07FB2	Taxable Bonds under Long Term Borrowing Programme for 2016-17	03.08.2016	8.03%	03.08.2041	5,000	[ICRA]AAA(Stable)
INE906B07FD8		01.09.2016	7.68%	30.08.2041	5,000	[ICRA]AAA(Stable)
INE906B07FE6		23.12.2016	7.17%	23.12.2021	5,020	[ICRA]AAA(Stable)
INE906B07FF3		24.01.2017	7.22%	24.01.2047	8,500	[ICRA]AAA(Stable)
INE906B07FG1		20.03.2017	7.60%	18.03.2022	4,025	[ICRA]AAA(Stable)
NA	Fund-based Overdraft Limit	-	-	-	2,000	[ICRA]A1+; Reaffirmed and Withdrawn
INE906B07FT4	Taxable Bonds under Long Term Borrowing Programme for 2017-18	06.06.2017	7.27%	06.06.2022	1,525	[ICRA]AAA(Stable)
INE906B07FU2		16.06.2017	7.24%	16.06.2047	5,000	[ICRA]AAA(Stable)
INE906B07FV0		14.07.2017	7.14%	12.07.2047	3,500	[ICRA]AAA(Stable)
INE906B07FW8		24.08.2017	7.38%	24.08.2032	5,000	[ICRA]AAA(Stable)
INE906B07FX6		06.11.2017	7.11%	06.11.2022	850	[ICRA]AAA(Stable)
INE906B08021		22.11.2017	7.64%	22.11.2032	5,000	[ICRA]AAA(Stable)
NA	Loans under Long Term Borrowing Programme for 2017-18	17.01.2018	7.70%	17.01.2028	10,000	[ICRA]AAA(Stable)
NA		07.03.2018	7.92%	07.03.2028	10,000	[ICRA]AAA(Stable)
NA~	Masala Bonds	18.05.2017	7.30%	18.05.2022	3,000	[ICRA]AAA(Stable)
NA	Loans under Long Term Borrowing Programme for 2018-19	07.06.2018	8.38%	07.06.2028	5,000	[ICRA]AAA(Stable)
NA		27.07.2018	7.99%	27.07.2028	19,000	[ICRA]AAA(Stable)
NA		28.09.2018	8.33%	28.09.2028	5,000	[ICRA]AAA(Stable)
NA		31.12.2018	8.11%	31.12.2028	5,000	[ICRA]AAA(Stable)
NA		11.03.2019	8.34%	11.03.2029	5,000	[ICRA]AAA(Stable)
INE906B07GK1		28.06.2018	8.55%	28.06.2048	2,195	[ICRA]AAA(Stable)
INE906B07GL9	Taxable Bonds under Long Term Borrowing Programme for 2018-19	02.08.2018	8.45%	02.08.2048	2,060	[ICRA]AAA(Stable)
INE906B07GM7		21.12.2018	8.19%	21.12.2048	2,055	[ICRA]AAA(Stable)
INE906B07GN5		21.01.2019	8.37%	21.01.2029	1,675	[ICRA]AAA(Stable)
INE906B07GO3		05.02.2019	8.49%	05.02.2029	2,000	[ICRA]AAA(Stable)
INE906B07GP0		28.03.2019	8.27%	28.03.2029	5,500	[ICRA]AAA(Stable)
INE906B07GQ8		29.03.2019	8.18%	29.03.2049	2,025	[ICRA]AAA(Stable)
INE906B07FY4		30.04.2018	5.75%	30.04.2023	154	[ICRA]AAA(Stable)
INE906B07FZ1	54-EC Bonds (2018-19) under Long Term Borrowing Programme for 2018-19	30.05.2018	5.75%	31.05.2023	248	[ICRA]AAA(Stable)
INE906B07GA2		30.06.2018	5.75%	30.06.2023	314	[ICRA]AAA(Stable)
INE906B07GB0		31.07.2018	5.75%	31.07.2023	439	[ICRA]AAA(Stable)
INE906B07GC8		31.08.2018	5.75%	31.08.2023	348	[ICRA]AAA(Stable)
INE906B07GD6		30.09.2018	5.75%	30.09.2023	353	[ICRA]AAA(Stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
INE906B07GE4		31.10.2018	5.75%	31.10.2023	360	[ICRA]AAA(Stable)
INE906B07GF1		30.11.2018	5.75%	30.11.2023	329	[ICRA]AAA(Stable)
INE906B07GG9		31.12.2018	5.75%	31.12.2023	403	[ICRA]AAA(Stable)
INE906B07GH7		31.01.2019	5.75%	31.01.2024	435	[ICRA]AAA(Stable)
INE906B07GI5		28.02.2019	5.75%	29.02.2024	430	[ICRA]AAA(Stable)
INE906B07GJ3		31.03.2019	5.75%	31.03.2024	893	[ICRA]AAA(Stable)
NA	Loans under Long Term Borrowing Programme for 2020-21	12.11.2020		12.11.2030	3,000	[ICRA]AAA(Stable)
NA		23.11.2020		23.11.2030	2,000	[ICRA]AAA(Stable)
NA		30.01.2021		30.01.2031	2,000	[ICRA]AAA(Stable)
NA		10.02.2021		10.02.2031	3,000	[ICRA]AAA(Stable)
NA		15.03.2021		15.03.2031	5,000	[ICRA]AAA(Stable)
NA		31.03.2021		31.03.2031	770	[ICRA]AAA(Stable)
INE906B07HP8	Taxable Bonds under Long Term Borrowing Programme for 2020-21	28.04.2020	7.35%	28.04.2030	1,824	[ICRA]AAA(Stable)
INE906B07IC4		28.05.2020	6.99%	28.05.2035	1,500	[ICRA]AAA(Stable)
INE906B07ID2		29.06.2020	6.98%	29.06.2035	2,500	[ICRA]AAA(Stable)
INE906B07IE0		05.08.2020	6.50%	11.04.2031	1,270	[ICRA]AAA(Stable)
INE906B07IF7		10.09.2020	7.14%	10.09.2040	6,000	[ICRA]AAA(Stable)
INE906B08039		21.09.2020	7.04%	21.09.2033	3,000	[ICRA]AAA(Stable)
INE906B07IG5		27.11.2020	6.94%	27.11.2037	5,000	[ICRA]AAA(Stable)
INE906B07IH3		15.12.2020	7.03%	15.12.2040	5,859	[ICRA]AAA(Stable)
INE906B07II1		30.12.2020	6.94%	30.12.2036	6,000	[ICRA]AAA(Stable)
INE906B07IJ9		18.02.2021	7.10%	18.02.2039	6,000	[ICRA]AAA(Stable)
INE906B07IK7		08.03.2021	7.28%	08.03.2039	6,000	[ICRA]AAA(Stable)
INE906B07IL5		30.03.2021	6.81%	30.03.2034	850	[ICRA]AAA(Stable)
INE906B07HQ6	54-EC Bonds (2020-21) under Long Term Borrowing Programme for 2020-21	30.04.2020	5.75%	30.04.2025	37	[ICRA]AAA(Stable)
INE906B07HR4		31.05.2020	5.75%	31.05.2025	125	[ICRA]AAA(Stable)
INE906B07HS2		30.06.2020	5.75%	30.06.2025	359	[ICRA]AAA(Stable)
INE906B07HT0		31.07.2020	5.75%	31.07.2025	225	[ICRA]AAA(Stable)
INE906B07HU8		31.08.2020	5.00%	31.08.2025	145	[ICRA]AAA(Stable)
INE906B07HV6		30.09.2020	5.00%	30.09.2025	242	[ICRA]AAA(Stable)
INE906B07HW4		31.10.2020	5.00%	31.10.2025	175	[ICRA]AAA(Stable)
INE906B07HX2		30.11.2020	5.00%	30.11.2025	176	[ICRA]AAA(Stable)
INE906B07HY0		31.12.2020	5.00%	31.12.2025	332	[ICRA]AAA(Stable)
INE906B07HZ7		31.01.2021	5.00%	31.01.2026	328	[ICRA]AAA(Stable)
INE906B07IA8		28.02.2021	5.00%	28.02.2026	393	[ICRA]AAA(Stable)
INE906B07IB6		31.03.2021	5.00%	31.03.2026	890	[ICRA]AAA(Stable)
NA	Long Term Borrowing Programme for 2021-22	-	-	-	65,000	[ICRA]AAA(Stable)

~overseas instrument

Source: NHAI

Annexure-2: List of entities considered for consolidated analysis

Company Name	NHAI Ownership	Consolidation Approach
DME Development Limited	100%	Full Consolidation

Source: NHAI, ICRA research

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