

January 06, 2025

H.G. Infra Engineering Limited: Rating withdrawn for non-convertible debentures

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash credit	400.00	400.00	[ICRA]AA- (Positive); Outstanding
Long-term/Short-term – Non-fund based – Bank guarantee	2600.00	2600.00	[ICRA]AA- (Positive)/ [ICRA]A1+; Outstanding
Non-convertible debenture (NCD) programme	97.00	-	[ICRA]AA- (Positive); Withdrawn
Total	3097.00	3000.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the rating outstanding on the non-convertible debenture programme of H.G. Infra Engineering Limited as there is no amount outstanding against the rated instrument. This is in accordance with ICRA's policy on withdrawal of credit ratings.

The key rating drivers, liquidity position and rating sensitivities have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction Policy on withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated financials of HGIEL with its subsidiaries (refer Annexure II). ICRA has fully consolidated the under-construction special purpose vehicles (SPVs), where HGIEL has extended corporate guarantee for the full tenure of the debt. For other SPVs, ICRA has undertaken limited consolidation factoring in the expected funding requirements (equity/ cost overrun support/ operational shortfall), if any.

About the company

H.G. Infra Engineering Limited was incorporated in 2003 by Mr. Hodal Singh Choudhary, Mr. Girish Pal Choudhary, Mr. Vijendra Singh Choudhary and Mr. Harendra Singh Choudhary in Jodhpur, Rajasthan. HGIEL, along with its twelve hybrid annuity mode (HAM) SPVs (including one asset under monetisation), primarily constructs roads and highways in Odisha, Telangana, Delhi, Andhra Pradesh, Haryana, and Jharkhand. It has also diversified into railways and solar power projects in the recent years. HGIEL is accredited as an AA-class contractor by the Public Works Department (PWD) of the Government of Rajasthan (GoR) and is registered as an SS-class contractor by the Military Engineer Services (MES). The company has been listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) since March 09, 2018.

Key financial indicators (audited)

HGIEL Standalone	FY2023	FY2024	H1 FY2025
Operating income (Rs. crore)	4,419	5,122	2,570
PAT (Rs. crore)	421	545	228
OPBDIT/OI (%)	16.1%	16.0%	16.3%
PAT/OI (%)	9.5%	10.7%	8.9%
Total outside liabilities/Tangible net worth (times)	1.0	0.8	0.8
Total debt/OPBDIT (times)	0.7	0.6	1.1
Interest coverage (times)	11.2	10.2	9.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; 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	Type	Current (FY2025)			Chronology of rating history for the past 3 years					
		Amount Rated (Rs. crore)	FY2025		FY2024		FY2023		FY2022	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash credit	Long-term	400.00	Jan 06, 2025	[ICRA]AA-(Positive)	Apr 25, 2023	[ICRA]AA-(Stable)	Apr 26, 2022	[ICRA]AA-(Stable)	Jul 2, 2021	[ICRA]A+(Positive)
					Feb 06, 2024	[ICRA]AA-(Positive)			Dec 13, 2021	[ICRA]A+(Positive)
Letter of credit and bank guarantee	Short-Term	-	Jan 06, 2025	-	Apr 25, 2023	-	Apr 26, 2022	[ICRA]A1+	Jul 2, 2021	[ICRA]A1
					Feb 06, 2024	-			Dec 13, 2021	[ICRA]A1
Non-fund based – Bank guarantees	Long-term/ Short-term	2,600.00	Jan 06, 2025	[ICRA]AA-(Positive)/ [ICRA]A1+	Apr 25, 2023	[ICRA]AA-(Stable)/ [ICRA]A1+	Apr 26, 2022	[ICRA]AA-(Stable)/ [ICRA]A1+	Jul 2, 2021	[ICRA]A+(Positive)/ [ICRA]A1
					Feb 06, 2024	[ICRA]AA-(Positive)/ [ICRA]A1+			Dec 13, 2021	[ICRA]A+(Positive)/ [ICRA]A1
Non-convertible debentures	Long-term	97.00	Jan 06, 2025	[ICRA]AA-(Positive); Withdrawn	Apr 25, 2023	[ICRA]AA-(Stable)	Apr 26, 2022	[ICRA]AA-(Stable)	Jul 2, 2021	-
					Feb 06, 2024	[ICRA]AA-(Positive)			Dec 13, 2021	[ICRA]A+(Positive)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Cash credit	Simple
Long-term/Short-term – Non-fund based – Bank guarantee	Very Simple
Non-convertible debenture (NCD) programme	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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term – Fund-based – Cash credit	NA	NA	NA	400.00	[ICRA]AA- (Positive)
NA	Long-term/Short-term – Non-fund based – Bank guarantee	NA	NA	NA	2600.00	[ICRA]AA- (Positive)/ [ICRA]A1+
INE926X07017	Non-convertible debenture (NCD) programme	Dec 21, 2021	8%^	Dec 21, 2024	97.00	[ICRA]AA- (Positive); Withdrawn

Source: Company data, ICRA Research, ^As on date of allotment, subject to reset every 6 months from the deemed date of allotment

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
H.G. Infra Engineering Limited	100.00% (rated entity)	-
H.G. Rewari Bypass Private Limited	100.00%	Full Consolidation
H.G. Khammam Devarapalle Pkg-1 Private Limited	100.00%	Limited Consolidation
H.G. Khammam Devarapalle Pkg-2 Private Limited	100.00%	Limited Consolidation
H.G. Raipur Visakhapatnam AP-1 Private Limited	100.00%	Limited Consolidation
H.G. Raipur Visakhapatnam OD-5 Private Limited	100.00%	Limited Consolidation
H.G. Raipur Visakhapatnam OD-6 Private Limited	100.00%	Limited Consolidation
H.G. Karnal Ring Road Private Limited	100.00%	Limited Consolidation
H.G. Varanasi-Kolkata Pkg-10 Highway Private Limited	100.00%	Limited Consolidation
H.G. Varanasi-Kolkata Pkg-13 Highway Private Limited	100.00%	Limited Consolidation
H.G. Chennai-Tirupati Pkg (II) Highway Private Limited	100.00%	Limited Consolidation
H.G. Solar Projects India Private Limited	100.00%	Limited Consolidation
H.G. Bikaner Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Nokha Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Sri Dungargarh Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Mathania Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Bilara Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Bhopalgarh Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Mangeriya Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Barni Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Rajlani Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Hingoli Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Khariya Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Pichiyak Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Matora Solar Project Private Limited	100.00%	Limited Consolidation

Company Name	Ownership	Consolidation Approach
H.G. Chandelao Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Gopasariya Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Planchala Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Reeniya Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Belarwa Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Badu Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Bhada Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Jakhan Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Kadwa Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Kapuriya Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Muknasar Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Patiya Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Bapini Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Amala Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Bhojakor Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Chanpura Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Kushlawar Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Moolraj Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Moriya Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Ramsagar Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Nayabera Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Paleena Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Peelwa Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Jetpur Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Suin Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Kisnasar Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Surnana Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Hemera Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Bachasar Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Berasar Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Dhingsari Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Hiyadesar Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Kishnasar Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Manyana Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Mukam Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Raisar Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Sindhu Solar Project Private Limited	100.00%	Limited Consolidation
H.G. Foundation (Section 8 Company)	100%	Limited Consolidation
MGCP - HGIEPL (JV)	30%	Equity Method
Safety First Engineering Private Limited	26%	Equity Method
Safety First (Partnership Firm)	26%	Equity Method

Source: Company quarterly result filing for Q2 FY2025, ICRA Research

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