

February 06, 2025

Tamil Nadu Dindigul Karur Expressways Limited (TNDK): Rating moved to non-cooperating category

Summary of rating action

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based – Term loan	65.11	65.11	[ICRA]D; ISSUER NOT COOPERATING; Rating moved to 'Issuer Not Cooperating' category
Total	65.11	65.11	

^{*}Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure I

Rationale

ICRA has moved the ratings for the bank facilities of Tamil Nadu Dindigul Karur Expressways Limited (TNDK) to the 'Issuer Not Cooperating' category on account of inadequate information regarding its performance and uncertainty regarding its credit risk. The rating is denoted as '[ICRA]D; ISSUER NOT COOPERATING'. 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.icraindia.com. Lenders, investors and other market participants are thus advised to exercise appropriate caution while using the rating as it may not adequately reflect the entity's credit risk profile.

As a part of its process and in accordance with its rating agreement with TNDK, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of 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 the 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	Corporate Credit Rating Methodology Rating Methodology - Roads (BOT Toll) Policy on Default Recognition Policy in respect of Non-cooperation by a rated entity
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

TNDK is a special purpose vehicle (SPV) promoted by Madhucon Projects Ltd (MPL) and SREI Infrastructure Finance. It was formed to strengthen and widen the existing 68-km long stretch between Karur and Dindigul on NH-7. The project scope includes improvement, operations, and management of the existing four-lane stretches in the adjacent section from Karur Bypass (chainage 292.600 km) to the end of Karur Bypass (chainage 305.600 km) covering a total length of 9.60 km. The project

has been awarded by the National Highway Authority of India (NHAI) on a BOT (toll) basis, with a concession period of 20 years starting from October 2006. The project was initially delayed by about seven months, with the actual commercial operations date (COD) declared in November 2009 instead of April 2009. This highway forms the major arterial route that serves a significant volume of passenger traffic traveling to various important cities like Madurai, Kanyakumari, Rameswaram, Coimbatore and Kodaikanal. This route is also a part of the feeder to the Tuticorin Port for the Bangalore-side traffic.

Key financial indicators (audited)

TNDK Standalone	FY2023	FY2024
Operating income (Rs. crore)	83.8	79.9
PAT (Rs. crore)	-52.8	-16.5
OPBDIT/OI (%)	-28.2%	17.5%
PAT/OI (%)	-63.0%	-20.6%
Total outside liabilities/Tangible net worth (times)	-2.5	-2.1
Total debt/OPBDIT (times)	-3.8	6.1
Interest coverage (times)	-3.7	1.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; 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 (FY2025)			Chronology of rating history for the past 3 years					
	FY2025			FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs. crore)	Feb 06, 2025	Date	Rating	Date	Rating	Date	Rating
Term loan	Long Term	65.11	[ICRA]D ISSUER NOT COOPERATING	Jan 08, 2024	[ICRA]D	Nov 03, 2022	[ICRA]D	Aug 06, 2021	[ICRA]D

Complexity level of the rated instrument

Instrument	Complexity indicator
Long-term fund-based – Term loan	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	Term loan	December 2012	13%	March 2023*	65.11	[ICRA]D ISSUER NOT COOPERATING

Source: Company; *Original maturity date. As on date, the account is NPA; entire debt is repayable.

Annexure II: List of entities considered for consolidated analysis- Not applicable

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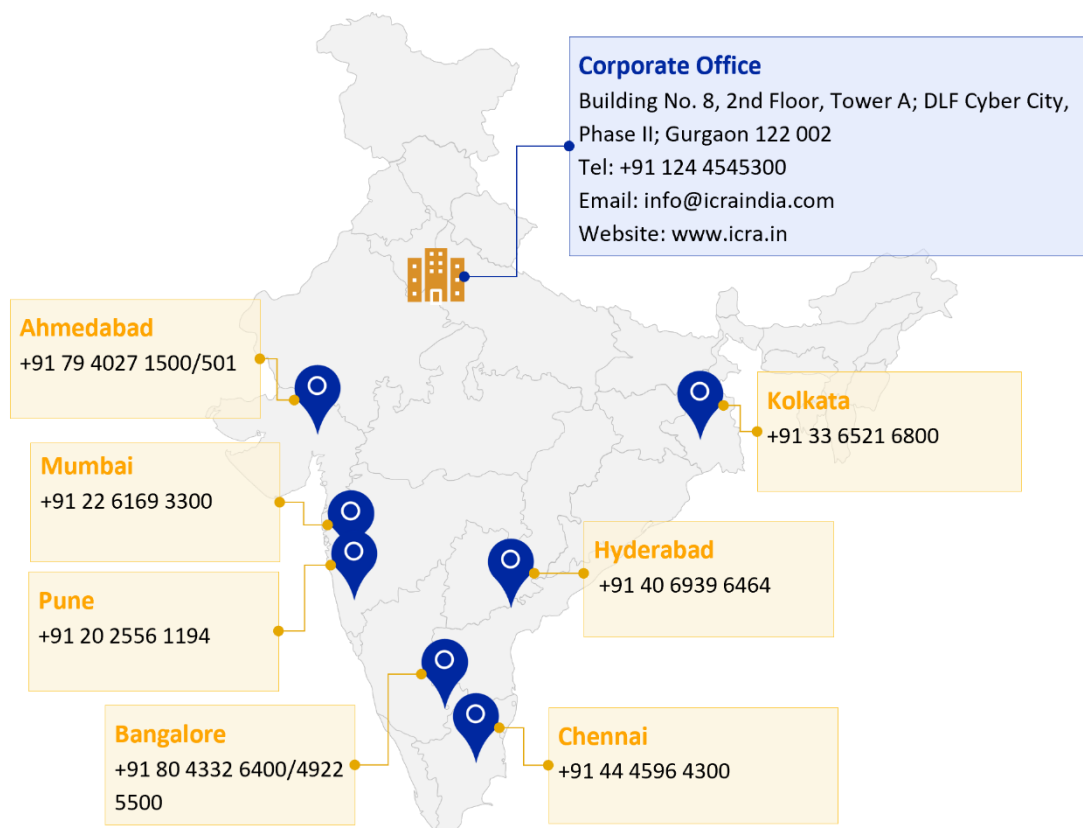
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