

May 9, 2023^(Revised)

Gurgaon Sohna Highway Private Limited: Placed on Rating Watch with Developing Implications

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based – Term loan	287.86	287.86	[ICRA]AA-; Placed on Rating Watch with Developing Implications
Total	287.86	287.86	

*Instrument details are provided in Annexure I

Rationale

On May 03, 2023, H.G. Infra Engineering Limited (HGIEL, rated [ICRA]AA-(Stable)/[ICRA]A1+), the sponsor/parent company of Gurgaon Sohna Highway Private Limited (GSHPL) entered into share purchase agreements (SPA) with Highway Infrastructure Trust (HIT), sponsored by Galaxy Investments II Pte. Ltd, an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR), for the sale of its entire share capital held in four of its HAM special purpose vehicles (SPV)s viz. GSHPL, H.G. Ateli Narnaul Highway Private Limited (HANHPL; rated [ICRA]AA+; Rating Watch with Developing Implications), H.G. Rewari Ateli Highway Private Limited (HRAHPL rated ([ICRA]AA; Rating Watch with Developing Implications), and H.G. Rewari Bypass Private Limited (HRBPL; rated ([ICRA]AA-(CE); Rating Watch with Developing Implications), for an approximate enterprise valuation of Rs. 1,394 crore. The deal is expected to be concluded over the next few months, subject to receipt of necessary approval/consents from the concerned lenders as well as the project awarding authority - National Highways Authority of India (NHAI, rated [ICRA]AAA(Stable)) and completion of certain conditions precedent therein.

ICRA has placed the rating of GSHPL on rating watch with developing implications following the announcement of aforementioned transaction. ICRA will resolve the watch following the change in shareholding, after understanding the impact of the transaction on the company's operational and financial profile and financial policy of the incoming investor, after concluding discussions with the new management. ICRA understands from HGIEL that it will continue to honour all its obligations related to the SPVs, in a timely manner, until the complete transfer of ownership of asset to the new shareholder.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities, key financial indicators: [Click here](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Roads - Hybrid Annuity
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Gurgaon Sohna Highway Private Limited is an SPV formed by H.G. Infra Engineering Limited (HGIEL). It undertook the six-laning of the existing national highway (NH) 248A from 11+682 to the existing km 24+400 of Gurgaon – Sohna section in Haryana, through a private public partnership (PPP) on a hybrid annuity mode. The stretch achieved COD in September 2022.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument		Current rating (FY2024)				Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount outstanding as on March 31, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
					May 9, 2023	April 25, 2023			
1	Term loan	Long-term	287.86	264.54	[ICRA]AA-, Rating Watch with Developing Implications	[ICRA]AA-(Stable)	[ICRA]A+ (Positive)	[ICRA]A+(CE) (Positive)	[ICRA]A(CE) (Stable)
2	Unallocated Limits	Long-term	-	-	-	-	[ICRA]A+ (Positive)	-	-
3	Bank Guarantee	Short Term	-	-	-	-	[ICRA]A1 (CE); Withdrawn	[ICRA]A1 (CE)	[ICRA]A1 (CE)
4	Unallocated Limits	Long-term/ Short-term	-	-	-	-	[ICRA]A+ (CE) (Positive)/ [ICRA]A1 (CE); withdrawn	[ICRA]A+(CE) (Positive)/ [ICRA]A1(CE)	[ICRA]A (CE) (Stable)/ [ICRA]A1 (CE)

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 03, 2021	NA	March 31, 2035	287.86	[ICRA]AA-; Rating Watch with Developing Implications

Source: Company

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

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

Corrigendum

Document dated May 09, 2023, has been corrected with revisions as detailed below:

Section where revision has been made	Details of change (s) made
Rating history for past three years, Page-3	Rating history for the past three years has been updated.

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