

**Press Release**

**MEP Infrastructure Developers Limited**

August 26, 2019

**Rating Update**



<b>Total Bank Facilities Rated*</b>	Rs. 885.00 Cr. #
<b>Long Term Rating</b>	ACUITE BBB (Downgraded from ACUITE A-/Negative) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A3+ (Downgraded from ACUITE A1) Issuer not co-operating*

# Refer Annexure for details

\* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long-term rating to '**ACUITE BBB**' (read as **ACUITE triple B**) from '**ACUITE A-**' (read as **ACUITE A minus**) and short-term rating to '**ACUITE A3+**' (read as **ACUITE A three plus**) from '**ACUITE A1**' (read as **ACUITE A one**) on the Rs. 885.00 crore bank facilities of MEP INFRASTRUCTURE DEVELOPERS LIMITED (MEPIDL). This rating is now an indicative rating and is based on best available information.

Acuité notes a decline in operating performance based on publicly available information. Hence, the rating downgrade.

MEP Infrastructures Developers Limited (MEPIDL), incorporated in 2002, is the flagship entity of the MEP Group and an established player in toll collection and Operate Maintain and Transfer (OMT) business for roads and highways. The MEP Group engages in either short or long term contracts ranging from one to sixteen years to undertake such business. MEPIDL also undertakes Engineering, Procurement and Construction (EPC) contracts for the road sector. In FY2016, the MEP group has been awarded with six Hybrid Annuity Model (HAM) projects, which are being executed through special Purpose Vehicles (SPVs). The group also has a presence in Build, Operate and Transfer (BOT) projects through its subsidiaries.

MEPIDL is listed on BSE and NSE. The day-to-day operations are led by the Chairman, Mr. Dattatray P. Mhaiskar and Managing Director, Mr. Jayant D. Mhaiskar. The management of the company has extensive experience in the infrastructure sector.

**Non-cooperation by the issuer/borrower**

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

**Applicable Criteria**

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Entities in Infrastructure Sector- <https://www.acuite.in/view-rating-criteria-14.htm>

**Limitation regarding information availability**

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	1,869.24	1,476.85	780.84
EBITDA	Rs. Cr.	216.33	220.43	617.13
PAT	Rs. Cr.	30.08	39.91	17.41
EBITDA Margin	(%)	11.57	14.93	79.03
PAT Margin	(%)	1.61	2.70	2.23
ROCE	(%)	10.26	12.74	11.20
Total Debt/Tangible Net Worth	Times	0.38	0.60	0.84
PBDIT/Interest	Times	3.81	4.51	10.67
Total Debt/PBDIT	Times	1.35	1.55	0.60
Gross Current Assets (Days)	Days	251	211	187

### Status of non-cooperation with previous CRA (if applicable)

None

### Any other information

None

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
30-Jan-2019	Term Loans	Long Term	34.00	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	142.00	ACUITE A-/Negative (Reaffirmed)
	Secured Overdraft	Long Term	75.00	ACUITE A-/Negative (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	10.00	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	45.50	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	1.20	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	5.07	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	6.14	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	8.75	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	75.00	ACUITE A-/Negative (Reaffirmed)
	Proposed Bank Facility	Long Term	22.34	ACUITE A-/Negative (Reaffirmed)
	Bank Guarantee	Short Term	100.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	100.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	100.00	ACUITE A1 (Reaffirmed)
Bank Guarantee	Short Term	50.00	ACUITE A1 (Reaffirmed)	
Letter of Credit	Short Term	100.00	ACUITE A1 (Assigned)	

07-Jan-2019	Term Loans	Long Term	34.00	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	142.00	ACUITE A-/Negative (Reaffirmed)
	Secured Overdraft	Long Term	75.00	ACUITE A-/Negative (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	10.00	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	45.50	ACUITE A-/Negative (Reaffirmed)
	Term Loans	Long Term	1.20	ACUITE A-/Negative (Assigned)
	Term Loans	Long Term	5.07	ACUITE A-/Negative (Assigned)
	Term Loans	Long Term	6.14	ACUITE A-/Negative (Assigned)
	Term Loans	Long Term	8.75	ACUITE A-/Negative (Assigned)
	Term Loans	Long Term	75.00	ACUITE A-/Negative (Assigned)
	Proposed Bank Facility	Long Term	22.34	ACUITE A-/Negative (Assigned)
	Bank Guarantee	Short Term	100.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	100.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	100.00	ACUITE A1 (Reaffirmed)
Bank Guarantee	Short Term	50.00	ACUITE A1 (Reaffirmed)	
12-Feb-2018	Term Loans	Long Term	44.00	ACUITE A-/Stable (Reaffirmed)
	Term Loans	Long Term	145.00	ACUITE A-/Stable (Assigned)
	Secured Overdraft	Long Term	75.00	ACUITE A-/Stable (Assigned)
	Secured Overdraft	Long Term	10.00	ACUITE A-/Stable (Assigned)
	Term Loans	Long Term	11.50	ACUITE A-/Stable (Assigned)
	Term Loans	Long Term	49.50	ACUITE A-/Stable (Assigned)
	Bank Guarantee	Short Term	100.00	ACUITE A1 (Assigned)
	Bank Guarantee	Short Term	125.00	ACUITE A1 (Assigned)
	Bank Guarantee	Short Term	100.00	ACUITE A1 (Assigned)
	Bank Guarantee	Short Term	50.00	ACUITE A1 (Assigned)
13-Dec-2017	Term Loan	Long Term	50.00	ACUITE A-/Stable (Assigned)

**#Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loans	Not Applicable	Not Applicable	Not Applicable	34.00	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	142.00	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	75.00	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	45.50	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	1.20	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	5.07	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	6.14	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	8.75	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	75.00	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	22.34	ACUITE BBB (Downgraded from ACUITE A- /Negative) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A3+ (Downgraded from ACUITE A1) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A3+ (Downgraded from ACUITE A1) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A3+ (Downgraded from ACUITE A1)

					Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE A3+ (Downgraded from ACUITE A1) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A3+ (Downgraded from ACUITE A1) Issuer not co-operating*

\*The issuer did not co-operate; Based on best available information.

## Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a></p> <p>Aishwarya Phalke Senior Analyst – Rating Operations Tel: 022-49294031 <a href="mailto:aishwarya.phalke@acuite.in">aishwarya.phalke@acuite.in</a></p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a></p>

### About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.