

Press Release

MEP Infrastructure Developers Limited

November 26, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 885.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3+) 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 BB+**' (**read as ACUITE double B**) from '**ACUITE BBB**' (**read as ACUITE triple B**) and short-term rating to '**ACUITE A4+**' (**read as ACUITE A four plus**) from '**ACUITE A3+**' (**read as ACUITE A three plus**) on the Rs. 885.00 crore bank facilities of MEP INFRASTRUCTURE DEVELOPERS LIMITED (MEPIDL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.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

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
26-Aug-2019	Term Loans	Long Term	34.00	ACUITE BBB (Indicative)
	Term Loans	Long Term	142.00	ACUITE BBB (Indicative)
	Secured Overdraft	Long Term	75.00	ACUITE BBB (Indicative)
	Secured Overdraft	Long Term	10.00	ACUITE BBB (Indicative)
	Term Loans	Long Term	10.00	ACUITE BBB (Indicative)
	Term Loans	Long Term	45.50	ACUITE BBB (Indicative)
	Term Loans	Long Term	1.20	ACUITE BBB (Indicative)
	Term Loans	Long Term	5.07	ACUITE BBB (Indicative)
	Term Loans	Long Term	6.14	ACUITE BBB (Indicative)
	Term Loans	Long Term	8.75	ACUITE BBB (Indicative)
	Term Loans	Long Term	75.00	ACUITE BBB (Indicative)
	Proposed Bank Facility	Long Term	22.34	ACUITE BBB (Indicative)
	Bank Guarantee	Short Term	100.00	ACUITE A3+ (Indicative)
	Bank Guarantee	Short Term	100.00	ACUITE A3+ (Indicative)
	Bank Guarantee	Short Term	100.00	ACUITE A3+ (Indicative)
	Bank Guarantee	Short Term	50.00	ACUITE A3+ (Indicative)
	Letter of Credit	Short Term	100.00	ACUITE A3+

				(Indicative)
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 BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	142.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	75.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	45.50	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	1.20	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	5.07	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*

Term Loans	Not Applicable	Not Applicable	Not Applicable	6.14	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	8.75	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	75.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	22.34	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*

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

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About Acuité Ratings & Research:

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