

Press Release

MEP Sanjose Mahuva Kagvadar Road Private Limited

February 25, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	279.61	ACUITE B+ Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	30.23	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	309.84	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and the short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 309.84crore bank facilities of MEP Sanjose Mahuva Kagvadar Road Private Limited (MEPSMK). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

Mumbai based, MEPSMK is a special-purpose vehicle (SPV) and a joint venture of MEP Infrastructures Developers Private Limited (MEPIDPL), incorporated in 2016 to undertake the construction of 4-lane road between Mahuva and Kagavadar, in Gujarat. The project road is a section of National Highway-8E, with a total length of 40.02 kilometers. The project has been awarded by the National Highways Authority of India (NHAI), which is to be executed under HAM on a design-build-finance-operate-and transfer basis. The concession period is 15 years and the construction period is 2.5 years, based on semiannual annuity payment. The project cost is Rs 604.68 crore and is funded through term loans of Rs 272.10 crore, equity of Rs 90.70 crore and grant of Rs.241.87 crore. MEPSMK signed the concession agreement with NHAI on August 09, 2016. The appointed date was obtained in May 2017(revised) and the scheduled commercial operation date (COD) was July 04, 2019; but due to delays in execution, the revised COD was in March 2020. MEPSMK's directors are Mr. Vilas Dattatray Pradhan, Mr. Sameer Anil Apte and Mr. Guillermo Manuel Sansano Fuentes.

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 the due date.

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

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

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

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable.

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Dec 2020	Term Loan	Long Term	120.94	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	7.50	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	101.17	ACUITE B+ (Downgraded and Issuer not co-operating*)

	Term Loan	Long Term	50.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	30.23	ACUITE A4 (Downgraded and Issuer not co-operating*)
10 Sep 2019	Term Loan	Long Term	120.94	ACUITE BB+ Negative (Downgraded from ACUITE BBB Negative)
	Term Loan	Long Term	50.00	ACUITE BB+ Negative (Downgraded from ACUITE BBB Negative)
	Term Loan	Long Term	101.17	ACUITE BB+ Negative (Downgraded from ACUITE BBB Negative)
	Secured Overdraft	Long Term	7.50	ACUITE BB+ Negative (Downgraded from ACUITE BBB Negative)
	Bank Guarantee	Short Term	30.23	ACUITE A4+ (Downgraded from ACUITE A3+)
25 Mar 2019	Term Loan	Long Term	120.94	ACUITE BBB Negative (Downgraded from ACUITE BBB+ Stable)
	Bank Guarantee	Short Term	30.23	ACUITE A3+ (Downgraded from ACUITE A2+)
	Term Loan	Long Term	50.00	ACUITE BBB Negative (Downgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	101.17	ACUITE BBB Negative (Downgraded from ACUITE BBB+ Stable)
	Secured Overdraft	Long Term	7.50	ACUITE BBB Negative (Downgraded from ACUITE BBB+ Stable)
28 Dec 2017	Term Loan	Long Term	101.17	ACUITE BBB+ Stable (Assigned)
	Secured Overdraft	Long Term	7.50	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	120.94	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	50.00	ACUITE BBB+ Stable (Assigned)
	Bank Guarantee	Short Term	30.23	ACUITE A2+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
IDBI Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	30.23	ACUITE A4 Reaffirmed Issuer not co-operating*
IDBI Bank	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE B+ Reaffirmed Issuer not co-operating*
Other	Not Applicable	Term Loan	Not available	Not available	Not available	120.94	ACUITE B+ Reaffirmed Issuer not co-operating*
IFCI Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	50.00	ACUITE B+ Reaffirmed Issuer not co-operating*
IDBI Bank	Not Applicable	Term Loan	Not available	Not available	Not available	101.17	ACUITE B+ Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 KanjurMarg, Mumbai.

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