



Press Release
MEP SANJOSE MAHUVA KAGAVADAR ROAD PRIVATE LIMITED
May 25, 2023

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	-	-

Rating Rationale

Acuite 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. 309.84 crore 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, MEP Sanjose Mahuva Kagvadar Road Private Limited (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:

Acuite 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.

Acuite 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.

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

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

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	10.67	36.84
PAT	Rs. Cr.	(16.56)	(2.03)
PAT Margin	(%)	(155.16)	(5.50)
Total Debt/Tangible Net Worth	Times	4.16	1.69
PBDIT/Interest	Times	0.22	1.15

Status of non-cooperation with previous CRA

Not Applicable

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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 Feb 2022	Term Loan	Long Term	120.94	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	101.17	ACUITE B+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	7.50	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	50.00	ACUITE B+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	30.23	ACUITE A4 (Issuer not co-operating*)
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*)

Annexure - Details of instruments rated

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

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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