

Press Release

MEP Sanjose Talaja Mahuva Road Private Limited

December 01, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 329.02 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB+/Negative) Issuer not co-operating*
Short Term Rating	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

Refer Annexure for details

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

Acuité has reviewed and downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and the short term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 329.02 crore bank facilities of MEP Sanjose Talaja Mahuva Road Private Limited (MEPSTM). The rating downgrade is on account of information risk. This rating is now an indicative rating and is based on the best available information.

MEPSTM 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 Talaja and Mahuva, in Gujarat. The project road is a section of National Highway-8E, with a total length of 45.46 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 semi-annual annuity payment. The project cost is Rs 643.05 crore and is funded through term loans of Rs 289.37 crore, equity of Rs 96.46 crore and grant of Rs.257.22 crore. MEPSTM signed the concession agreement with NHAI on July 08, 2016. The appointed date was obtained in April 2017 (revised) and the scheduled commercial operation date (COD) was June 02, 2019; but due to delays in execution, the revised COD was in March 2020.

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.

Applicable Criteria

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

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

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

Not Applicable

Any other information

Acuite 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
10-Sept-2019	Term Loan	Long Term	100.00	ACUITE BB+/ Negative (Downgraded)
	Term Loan	Long Term	60.76	ACUITE BB+/ Negative (Downgraded)
	Secured Overdraft	Long Term	7.50	ACUITE BB+/ Negative (Downgraded)
	Term Loan	Long Term	128.61	ACUITE BB+/ Negative (Downgraded)
	Secured Overdraft	Long Term	5.00	ACUITE BB+/ Negative (Downgraded)
	Bank guarantee	Short Term	27.15	ACUITE A4+ (Downgraded)
25-Mar-2019	Term Loan	Long Term	100.00	ACUITE BBB/ Negative (Downgraded)
	Term Loan	Long Term	60.76	ACUITE BBB/ Negative (Downgraded)
	Secured Overdraft	Long Term	7.50	ACUITE BBB/ Negative (Downgraded)
	Term Loan	Long Term	128.61	ACUITE BBB/ Negative (Downgraded)
	Secured Overdraft	Long Term	5.00	ACUITE BBB/ Negative (Assigned)
	Bank guarantee	Short Term	27.15	ACUITE A3+ (Downgraded)
29-Dec-2017	Term Loan	Long Term	100.00	ACUITE BBB+/Stable (Assigned)
	Term Loan	Long Term	60.76	ACUITE BBB+/Stable (Assigned)
	Secured Overdraft	Long Term	7.50	ACUITE BBB+/Stable (Assigned)
	Term Loan	Long Term	128.61	ACUITE BBB+/Stable (Assigned)
	Bank guarantee	Short Term	32.15	ACUITE A2+ (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 Loan	Not Available	Not Applicable	Not Available	100.00	ACUITE B+ (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	60.76	ACUITE B+ (Downgraded from ACUITE BB+) Issuer not co-operating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE B+ (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	128.61	ACUITE B+ (Downgraded from ACUITE BB+) Issuer not co-operating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE B+ (Downgraded from ACUITE BB+) Issuer not co-operating*
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	27.15	ACUITE A4 (Downgraded from ACUITE A4+) 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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