



Press Release
BANSAL PATHWAYS GUNA SIRONJ PRIVATE LIMITED
May 23, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	135.50	ACUITE BBB+ Stable Reaffirmed	-
Bank Loan Ratings	46.50	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	135.50	-	-
Total Withdrawn Quantum (Rs. Cr)	46.50	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of 'ACUITE BBB+' (read as ACUITE Triple B Pluso) on the Rs. 135.50 Cr. bank facilities of Bansal Pathways Guna Sironj Private Limited (BPGSPL). The outlook is 'Stable'. Further, Acuité has withdrawn its long-term rating on the Rs.46.50 Cr. bank facilities without assigning any rating of Bansal Pathways Guna Sironj Private Limited as it is a proposed facility. The rating is being withdrawn on account of request received from the company and is in accordance with Acuité's policy on withdrawal of ratings as applicable to the respective facility/ instrument.

Rationale for Rating

The rating reaffirmation takes into account presence of a strong and experienced sponsor (i.e Bansal Construction Private Limited), as a developer of various road projects. Further, the rating takes into account the established track record of timely annuity receipt of 16 annuities by BPGSPL till December, 2024 and stable revenues from toll receipts. The rating also factors the presence of a Debt Service Reserve Account (DSRA) supporting the liquidity with waterfall mechanism in escrow account. However, the rating is constrained by the low average debt servicing coverage ratio (DSCR) of ~ 1.05x over the balance debt tenor. Therefore, any major deviation in the toll collection coupled or delay in annuity receipts or any major increase in the maintenance expenses affecting the company's ability to service debt obligations shall be a key rating monitorable.

About the Company

Bansal Pathways Guna-Sironj Private Limited (BPGSPL) is a Special Purpose Vehicle (SPV) incorporated on 10th February, 2015 sponsored by Bansal Construction Works Private Limited. The SPV has undertaken the widening and improvement of existing road into two-laning with paved shoulders between Guna and Sironj in the state of Madhya Pradesh on Design, Build, Finance, Operate & Transfer model (DBFOT) (BOT Toll+Annuity). The project was awarded by the Madhya Pradesh Road Development Corporation (MPRDC) and it achieved its commercial operations date (COD) on March, 2017 against scheduled COD in November, 2017. The concession period is for 15 years from the date of project appointment, ending in November, 2030. The directors of the company are Mr. Anil Bansal, and Mr. Sunil Bansal.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuité has considered the standalone business and financial risk profile of Bansal Pathways Guna Sironj Private Limited (BPGSPL) for arriving at this rating.

Key Rating Drivers

Strengths

Strong and experienced sponsor

Bansal Construction Works Private Limited (BCWPL) is the flagship company of Bansal Group, Bhopal (M.P.).

The company was incorporated on June 28, 2010 to undertake construction works (both private and government sector), road construction, infrastructure development works, and other developmental works. It is promoted by Mr. Sunil Bansal and Mr. Anil Bansal. The company is presently engaged in all verticals of the infrastructure construction domain, including the mode of cash contracts on an Engineering Procurement and Construction (EPC) basis, Public Private Partnership model through BOT contracts, BOT (Annuity+Toll) projects, BOT (Annuity) projects, Hybrid Annuity Mode (HAM) projects and the construction and development of various government facilities. Additionally, BCWPL is the sponsor and corporate guarantor to various road SPVs of the group including BPGSPL, Bansal Pathways Private Limited, Bansal Pathways Damoh-Katni Private Limited, etc.

Timely receipts of annuity payments with early completion of project

BPGSPL had completed the construction and achieved final COD in March, 2017 i.e. 8 months before the scheduled COD of November, 2017. On account of early completion, it received bonus of ~Rs.27 Cr. in June, 2017. Further, the company has received 16 bi-annual annuities of Rs.15.00 Cr. each within the timelines till December, 2024 from MPRDC. Furthermore, the company is also generating revenues from the toll collections from the two toll booth's present in the constructed road project. The toll generated by the SPV during FY25 stood at Rs.6.54 Cr. as against Rs.8.02 Cr. in FY24. The lower collection in FY25 was on account of traffic diversion from the road connecting to the said road project.

Going ahead, Acuité believes that the timely receipt of annuity payment will continue to remain a key monitorable.

Waterfall Mechanism in escrow account and maintenance of DSRA

BPGSPL has escrow mechanism through which cash flows from authority is routed and used for payment as per the defined payment waterfall. Only surplus cash flow after meeting operating expense, debt servicing obligation and provision for major maintenance expense can be utilised as per borrower's discretion during the concession period. Further, the company maintains a DSRA (~Rs.17 Cr. as on 31st March, 2025) equivalent to one instalment of principal and 3 months interest for debt servicing. The company also maintains a MMRA reserve (~Rs.2.00 Cr. as on 31st March, 2025) towards the major maintenance expenses in the upcoming years.

Weaknesses

Low DSCR

The average debtor service coverage ratio (DSCR) stands low at ~1.05x for the balance debt tenor. Therefore, the company's debt servicing abilities is highly vulnerable to toll collections and timely receipt of bi-annual annuities. Any change in the volume of traffic can impact the cash flows of the company. Also, the company has to ensure proper maintenance of the road for the entire concession period so as to be eligible for annuities. Additionally, the company is also exposed to inherent risks associated with O&M expenses as any increase in such expenses can impact the operating margins and subsequently impact the debt service ability of the company. However, healthy credit counterparty profile and presence of a strong sponsor mitigates the risk to some extent.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

BPGSPL maintains a Debt Service Reserve Account (DSRA) equivalent to one instalment of principal and 3 months' interest along with escrow mechanism.

Stress case Scenario

Acuité believes that, given the presence of DSRA and waterfall payment in escrow mechanism, BPGSPL will be able to service its debt on time, even in a stress scenario.

Rating Sensitivities

- Timely receipt of annuity payments from MPRDC.
- Any deterioration in traffic volumes and increase in O&M expenses impacting the debt servicing ability.

Liquidity Position

Adequate

The liquidity profile of BPGSPL is adequate marked by timely receipt of annuity payments from MPRDC along with toll revenues generated during FY24 and FY25. The company generated net cash accruals of Rs.20.55 Cr. in FY24 against debt obligations of Rs.18.50 Cr. during the same period. The liquidity of the company is also supported by DSRA account of ~Rs.17 Cr. and MMRA deposit of ~Rs. 2 Cr. as on 31st March, 2025.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	38.02	37.57
PAT	Rs. Cr.	3.16	2.12
PAT Margin	(%)	8.32	5.63
Total Debt/Tangible Net Worth	Times	2.29	2.68
PBDIT/Interest	Times	2.22	2.05

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

Not Applicable.

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

Acuité takes note of the ongoing CBI investigation on the directors pertaining to a bribery case on a group company.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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
27 Feb 2024	Term Loan	Long Term	164.75	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	17.25	ACUITE BBB+ Stable (Reaffirmed)
29 Nov 2022	Term Loan	Long Term	178.00	ACUITE BBB+ Stable (Upgraded from ACUITE BB-)
	Term Loan	Long Term	4.00	ACUITE BBB+ Stable (Assigned)
09 May 2022	Term Loan	Long Term	40.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Term Loan	Long Term	40.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Term Loan	Long Term	47.40	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Term Loan	Long Term	45.60	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Term Loan	Long Term	5.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	46.50	Simple	Not Applicable Withdrawn
State Bank of India	Not avl. / Not appl.	Term Loan	31 Jul 2022	Not avl. / Not appl.	31 Jan 2030	135.50	Simple	ACUITE BBB+ Stable Reaffirmed

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About Acuité Ratings & Research

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