



Press Release
BANSAL PATHWAYS DAMOH KATNI PRIVATE LIMITED
July 09, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	154.00	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	72.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	154.00	-	-
Total Withdrawn Quantum (Rs. Cr)	72.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of **‘ACUITE BBB’ (read as ACUITE Triple B)** on the Rs. 154.00 Cr bank facilities of Bansal Pathways Damoh Katni Private Limited (BPDKPL). The outlook is **'Stable'**.

Further, Acuité has withdrawn its long-term rating on the Rs.72.00 Cr bank facilities without assigning any rating as it is a proposed facility. The rating is being withdrawn on account of request received from the company and is in accordance with Acuité's policy on withdrawal of ratings as applicable to the respective facility/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 the 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 19 annuity receipts by BPDKPL till February, 2025 and improved revenues from toll receipts. The rating also factors the presence of a debt service reserve account (DSRA) and major maintenance reserve account (MMRA) supporting the liquidity with waterfall mechanism in escrow account. However, the rating is constrained by the low debt servicing coverage ratio (DSCR) of ~1.08x over the balance debt tenor. Therefore, any major deviation in the toll collection, delay in annuity receipts, major increase in the maintenance expenses or increase in interest rates affecting the company's ability to service debt obligations shall be a key rating monitorable.

About the Company

Bansal Pathways Damoh Katni Private Limited (BPDKPL) is a special purpose vehicle (SPV) incorporated on 27th May, 2013 sponsored by Bansal Construction Works Private Limited for construction of 2-lane road of 117.94 kilometres in a section of State Highway-14 between Damoh and Katni, Madhya Pradesh. The project was awarded by the Madhya Pradesh Road Development Corporation (MPRDC) under Design, Build, Finance, Operate & Transfer (DBFOT) (BOT Toll + Annuity) and achieved its commercial operations date (COD) in August, 2015 against scheduled COD in June, 2016. The concession period is for 15 years from the date of project appointment, ending in November 2028. 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 Damoh Katni Private Limited (BPDKPL) 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.) undertaking construction works (both private and government sector), road construction, infrastructure development works, and other developmental works since 2010. It 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 BPDKPL, Bansal Pathways Private Limited, Bansal Pathways Guna Sironj Private Limited, etc.

Track record of annuity payments and improved toll collections

BPDKPL had completed the construction and achieved final COD in August, 2015 i.e. 10 months before the scheduled COD of June, 2016 and received bonus of ~Rs.23 Cr. in March, 2016. Further, the company has received 19 bi-annual annuities of Rs.17.76 Cr each till February, 2025 from MPRDC. However, there has been delays of ~3-4 months in receipt of 17th (due in February 2024) and 19th (due in February 2025) annuity, on account of reorganization of government and reallocation of resources due to state elections in FY24 and hosting of the Global Investors Summit in Madhya Pradesh in FY25. Furthermore, the company is also generating revenues from the toll collections from the two-toll booth's present in the constructed road project which improved to Rs.21.10 Cr. in FY25 as against Rs.17.78 Cr. in FY24 on account of traffic growth.

Going ahead, Acuité believes that the timely receipt of annuity payment and stable revenues from toll will continue to remain a key rating sensitivity.

Waterfall mechanism in escrow account and maintenance of DSRA & MMRA

BPDKPL 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 equivalent to one installment of principal plus 3 months of interest for debt servicing and MMRA reserve towards the major maintenance expenses in the upcoming years (collectively ~Rs.26 Cr. maintained as on May 31, 2025).

Weaknesses

Low DSCR

The average DSCR stands low at ~1.08x 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 also impact the cash flows of the company.

Inherent operation & maintenance and interest fluctuation risk

The company is required to ensure and carry out major maintenance of the road for the entire concession period, to be eligible for annuities. The last major maintenance was carried out in 2023 for Rs.2.50 Cr and next maintenance is due in 2027 for Rs.3.50 Cr. 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. Further, the debt interest rates are linked to the MCLR rate, fluctuations in which can impact the debt obligations of the company.

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)

BPDKPL 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, BPDKPL 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, increase in O&M expenses or interest rates impacting the debt servicing ability.

Liquidity Position

Adequate

The liquidity profile of BPDKPL is adequate marked by receipt of annuity payments from MPRDC along with toll revenues generated. The company generated net cash accruals of Rs.33.74 Cr in FY24 against debt obligations of Rs.30.50 Cr. during the same period. The liquidity of the company is also supported by DSRA and MMRA account of ~Rs.26 Cr as on 31st May, 2025. Further, on account of any delays in annuity receipts; the company shall service its debt obligations through accrued reserves and support from sponsor.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	55.66	52.95
PAT	Rs. Cr.	14.61	5.19
PAT Margin	(%)	26.25	9.80
Total Debt/Tangible Net Worth	Times	2.17	3.09
PBDIT/Interest	Times	3.09	2.45

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

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. Acuité'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
15 Apr 2024	Term Loan	Long Term	85.40	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	105.00	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
	Proposed Long Term Bank Facility	Long Term	35.60	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
27 Feb 2024	Term Loan	Long Term	85.40	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	105.00	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	35.60	ACUITE BBB+ Stable (Reaffirmed)
29 Nov 2022	Term Loan	Long Term	132.00	ACUITE BBB+ Stable (Upgraded from ACUITE BB-)
	Term Loan	Long Term	58.00	ACUITE BBB+ Stable (Upgraded from ACUITE BB-)
	Term Loan	Long Term	33.04	ACUITE BBB+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	2.96	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	150.00	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.	0.73	Simple	ACUITE BBB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	72.00	Simple	Not Applicable Withdrawn
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2028	79.77	Simple	ACUITE BBB Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2027	73.50	Simple	ACUITE BBB Stable Reaffirmed

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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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