



Press Release
BANSAL PATHWAYS PRIVATE LIMITED
May 23, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	48.00	ACUITE BBB+ Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	48.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of 'ACUITE BBB+' (read as ACUITE Triple B Plus) on the Rs. 48.00 crore bank facilities of Bansal Pathways Private Limited (BPPL). The outlook is 'Stable'.

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 timely annuity receipt of 22 annuities by BPPL till October, 2024. The rating also factors the presence of a Debt Service Reserve Account (DSRA) supporting the liquidity with waterfall mechanism in escrow account. Further, the project has a moderate average debt service coverage ratio of 1.64x. However, the rating is constrained by the high vulnerability to delay in receipt of annuities or any substantial increase in operation & maintenance (O&M) and major maintenance expenses affecting the company's ability to service debt obligations on timely basis, shall continue to be a key rating monitorable.

About the Company

Bansal Pathways Private Limited (BPPL) is a special-purpose vehicle (SPV) incorporated in 2011 sponsored by Bansal Construction Works Private Limited (BCWPL). The SPV has undertaken construction of 2-lane road between Garakota-Rehli-Devri and Rehli-Gorjhamar in Madhya Pradesh (MP). The project road is a section of State Highway-14, with a total length of 67.38 kilometres. The project was awarded by the Madhya Pradesh Road Development Corporation (MPRDC) executed under build-operate-transfer (BOT) model. The project achieved final commercial operations date (COD) in October, 2013 against scheduled COD in September, 2014. The concession period is of 15 years from date of appointment, ending in November, 2027. 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 Private Limited (BPPL) to arrive 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. 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 BPPL, Bansal Pathways Guna Sironj Private Limited, Bansal Pathways Damoh-Katni Private Limited, etc.

Timely receipts of annuity payments with early completion of project

BPPL completed the construction and achieved final COD in October 2013 i.e. 11 months before the actual COD of September 2014. On account of early completion, BPPL had received bonus annuity of ~Rs.14 Cr. in May, 2014. Further, the company has also received 22 bi-annual annuities of Rs. 8.51 Cr. each within the timelines, till October, 2024 from MPRDC. Going ahead, Acuité believes that the timely receipt of annuity payment will continue to remain a key monitorable.

Waterfall Mechanism in escrow account and debt-service reserve account (DSRA)

BPPL 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 also maintains a DSRA (~Rs.1.50 Cr. as on 31st March, 2025) equivalent to one installment of principal and 3 months interest for debt servicing.

Weaknesses

Vulnerability to delay in annuity receipts and increase in operating expenses

Any change and delay in annuity receipts 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)

BPPL 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, BPPL will be able to service its debt on time, even in a stress scenario.

Rating Sensitivities

- Timely receipt of annuity payments from MPRDC.
- Increase in O&M expenses impacting the debt servicing ability.

Liquidity Position

Adequate

The liquidity profile of BPPL is adequate marked by timely receipt of annuity payments from MPRDC generated during FY24. The company generated net cash accruals of Rs.11.86 Cr. in FY24 against debt obligations of Rs.11.20 Cr. during the same period. The liquidity of the company is also supported by DSRA of Rs.1.50 Cr. as on 31st March, 2025. Further, the average DSCR stands moderate at 1.64x over the balance debt tenor.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	17.02	17.02
PAT	Rs. Cr.	3.82	3.42
PAT Margin	(%)	22.45	20.11
Total Debt/Tangible Net Worth	Times	1.23	1.36
PBDIT/Interest	Times	4.00	3.84

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
06 Mar 2024	Term Loan	Long Term	13.66	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	0.32	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	15.24	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	10.20	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	2.32	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.26	ACUITE BBB+ Stable (Reaffirmed)
06 Jan 2023	Term Loan	Long Term	21.48	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	0.43	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	15.05	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	4.80	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	3.85	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2.39	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	48.00	ACUITE BBB+ (Reaffirmed & Withdrawn)
02 Dec 2022	Term Loan	Long Term	22.02	ACUITE BBB+ Stable (Upgraded from ACUITE BB-)
	Proposed Long Term Bank Facility	Long Term	2.98	ACUITE BBB+ Stable (Upgraded from ACUITE BB-)
	Term Loan	Long Term	0.45	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	15.17	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	4.99	ACUITE BBB+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	50.39	ACUITE BBB+ Stable (Assigned)
09 May 2022	Term Loan	Long Term	25.00	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.	20.56	Simple	ACUITE BBB+ Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Oct 2027	11.57	Simple	ACUITE BBB+ Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Oct 2027	0.14	Simple	ACUITE BBB+ Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Oct 2027	6.93	Simple	ACUITE BBB+ Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Oct 2026	8.80	Simple	ACUITE BBB+ Stable Reaffirmed

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Dhruvi Chauhan Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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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