



Press Release
VERSOVA BANDRA SEA LINK LIMITED
December 22, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5500.00	ACUITE A- Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	5500.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE A-**' (read as **ACUITE A minus**) to the Rs. 5500.00 Cr. bank facilities of Versova Bandra Sea Link Limited (VBSLL). The outlook is '**Stable**'.

Rationale for rating reaffirmation

The rating reaffirmation reflects the strategic importance of the project in infrastructure development of Mumbai city. Further, it factors the funding support available from the Government of Maharashtra (GoM) under the tri-partite concession. The rating remains constrained with the implementation risks considering the large scale of project with changes in scope leading to increase in the project cost (from Rs.11,232.86 Cr to Rs.15,823.07 Cr) and extension of completion deadline to March 2028. However, the extensive experience of Maharashtra State Road Development Corporation (MSRDC) and continued financial support from GoM (funding the entire cost overrun) combats the risk to a certain extent.

About the Company

Incorporated in April 2018, VBSLL is a subsidiary formed by MSRDC under the directions of Government of Maharashtra (GoM) for the development of a new sea link between Bandra and Versova in Mumbai, Maharashtra on a Design, Build, Finance, and Operate and Transfer (DBFOT) basis. The project is intended to connect the Bandra end of the existing Bandra Worli Sea Link (BWSL) and to extend towards Versova as a new sea link. The main carriageway of the project will be located on the Arabian Sea, approximately 900m from the coast. The project would have a length of ~17.17 Km and shall connect the Bandra end of Bandra Worli Sea Link to Versova, near the Nana Nani Park. The project construction will entail the construction of the Main Sea Bridge of the project having a length of 9.6 Km, four Connectors at Bandra (1.17 Km), Otters Club (1.80 Km), Juhu Koliwada (2.80 Km) and Nana Nani Park (1.80 Km). The total estimated cost of the project was Rs.11,232.86 Cr which has now been revised to Rs.15,823.07 Cr (GR-approved Rs.18,120.96 Cr). Out of the total estimated project cost Rs.5,500 Cr will be funded by debt (Rs.833.31 Cr outstanding as on Nov 30, 2025) and the rest by equity. The increase in the project cost will be funded through additional equity from the Sponsor/GoM.

Unsupported Rating

ACUITE BB/Stable

Analytical Approach

Acuité has considered the standalone approach while assessing the business and financial risk profile of VBSLL and has factored in financial, operational and managerial support it

receives from GoM through MSRDC by virtue of being a step-down subsidiary of the GoM. The rating factors in the 100 percent holding of MSRDC (a GoM entity) in VBSLL along with the strategically important role played by the entity in implementing a key infrastructure project in the state capital.

Key Rating Drivers

Strengths

Established track record of parent in the road infrastructure industry.

VBSLL is a subsidiary of MSRDC (100 per cent stake) and a step-down subsidiary of GoM. MSRDC, a corporation established and fully owned by the GoM, is a limited company incorporated in 1996. It is established to oversee large road infrastructure projects across the state of Maharashtra. MSRDC has successfully completed key projects such as Mumbai Pune Express Way (MPE), Bandra Worli Sea Link (BWSL) and Satara Kagal Road amongst others. It has also been tasked with the execution of the critical Hindu Hridayasamrat Balasaheb Thakare Maharashtra Samruddhi Mahamarg Project, a ~701 km project passing through 10 districts of Maharashtra which is also supported by GoM. The Board of VBSLL comprises of civil servants appointed by the GoM. The strategically important nature to MSRDC and support from GoM ease the funding available to the project from various financial institutions.

Support from Government of Maharashtra under the Concession Agreement

A tripartite Concession Agreement has been executed in 2018 amongst VBSLL as the Concessionaire, MSRDC as the Sponsor & GoM as the Concessioneing Authority. This agreement forms the basis of the support from GoM available to VBSLL. As per articles of the agreement in case of cash shortfall during the Operation Period and/or the Construction period or in case of cost overruns beyond the envisaged total project cost it would be met by the Concessioneing Authority. Therefore, the recent cost overruns of ~Rs.4590 Crs due to change in scope is funded by the GoM. Further, as on Nov 30, 2025 the GoM has infused Rs.3695.60 Crs in the form of equity and subordinated unsecured loans. The agreement also protects the Concessionaire by restricting the GoM from the construction of any competing roads and also provides for compensation to the Concessionaire if any such a road is constructed before the achievement of targeted traffic.

Weaknesses

Project execution risk and offtake risk

VBSLL is constructing the Versova Bandra Sea Link at an estimated cost of Rs. 15,823.07 Cr (GR-approved Rs.18,120.96 Cr) to be funded through equity of Rs.10,323.07 Cr. and term loan of Rs. 5500 Cr. Further, the expected commencement of operations is currently March 2028. The civil work and construction had commenced in April 2020 but the pace of work was significantly affected by the lockdowns brought on by the second Covid 19 wave in early 2021. Further, the JV between Reliance Infrastructure and Astaldi initially was selected as the EPC contractor based on competitive bidding process. However, Reliance Infrastructure exited the JV and transferred its stake to Apco Infratech in January 2022 with approval of MSRDC. This also caused a delay in financial closure. Further, the project is exposed to substantial execution risk as only 20.027% of the physical progress has been accomplished as of May 2024. The complex construction work has to be undertaken and consensus amongst various stakeholders will be required for getting final clearances required for the project completion. The project also remains susceptible to risk of litigations. This risk is mitigated on account of support from MSRDC and funding shortfall support from GOM in the construction as well as operational period. From an offtake standpoint, VBSLL will be exposed to offtake risk in the initial stages as the connecting roads get constructed. Once the connecting roads are completed offtake risk will be reduced as the project aims to release traffic congestion in a very busy route (Western suburbs to Island City) in the Mumbai. The revenue pick up of the project is expected to be gradual. Since the operating cash flows will stabilise over a period of time, the repayment is expected to start in FY2030 in order to align operational cash flows to the debt service commitments.

Linkages to fiscal position of State of Maharashtra

Maharashtra is India's leading industrial state, its gross state domestic product (GSDP) is expected (at current prices) to be Rs. 42.67 Lakh Cr. for FY2024-25 as against Rs 38.79 Lakh Cr. for FY2023-24 (RE). The fiscal deficit of Maharashtra for FY2024-25 is targeted at 2.6 percent of GSDP against 2.8% percent in FY2023-24 (RE). Any adverse changes in the fiscal indicators of GoM due to factors such as the prolonged slowdown in industrial activities or socio-economic challenges faced by Maharashtra, may have a significant impact on VBSLL and will be a key monitoring factor.

Rating Sensitivities

- Timely completion of project and commencement of commercial operations.
- Continued support from the GoM.

Liquidity Position

Adequate

VBSSL has an adequate liquidity position supported by funding from GoM through the concession agreement for the construction as well as operational period. The maturing debt repayment shall commence from FY2030.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Provisional)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	0.27	0.25
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	0.09	0.00
PBDIT/Interest	Times	0.00	0.00

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

Not Applicable

Any other information

None

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>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite 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
23 Sep 2024	Term Loan	Long Term	3000.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	2500.00	ACUITE A- Stable (Reaffirmed)
26 Jun 2023	Term Loan	Long Term	3000.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	2500.00	ACUITE A- Stable (Reaffirmed)
28 Mar 2022	Proposed Long Term Loan	Long Term	5000.00	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	500.00	ACUITE A- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2042	3000.00	Simple	ACUITE A- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2042	2500.00	Simple	ACUITE A- Stable Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No.	Company Name
1	Government of Maharashtra
2	Maharashtra State Road Development Corporation
3	Versova Bandra Sea Link Limited

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Sanidhya Jain 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.