



Press Release
NAGPUR GHORAD ANNUITY ROAD PROJECT PRIVATE LIMITED
September 17, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	54.00	ACUITE BBB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	54.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BBB**' (read as **ACUITE Triple Bo**)n the Rs. 54.00 Cr. bank facilities of Nagpur Ghorad Annuity Road Project Private Limited (NGARPPL). The outlook is '**Stable**'.

Rationale for Rating

The reaffirmation of the rating reflects the receipt of five annuity payments to date. Liquidity remains adequate, supported by a Debt Service Reserve Account (DSRA) equivalent to six months of principal and interest obligations, along with an escrow mechanism. However, the rating also considers the certain delays observed in the annuity payment and the inherent risk related to delay in annuity payments and changes in operational and interest cost, which could affect the debt serving capabilities of NGARPPL.

About the Company

Nagpur Ghorad Annuity Road Project Private Limited (NGARPPL) is incorporated in 2018 in Nagpur, Maharashtra. SPV is created by Khalatkar Constructions Infra Private Limited and M/s D.PJain&Co Infrastructure Private Limited to undertake development of Hybrid Annuity Package No. NAG-130 in the state of Maharashtra awarded by Public Works Department (PWD) of the Government of Maharashtra. The Directors of the company are Mr. Nihar Jayant Khalatkar and Mr. Jayant Madhavrao Khalatkar. The company entered into Concession Agreement (CA) on October 2018 with the Public Works Department (PWD). Under the CA, it upgraded the Improvement to Road from CRPF Gate in Nagpur to Ghorad at Seloo Taluka, Dist. Wardha on a Hybrid Annuity Mode.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Nagpur Ghorad Annuity Road Project Private Limited (NGARPPL) to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of sponsors

The sponsors of the project are Khalatkar Constructions Infra Private Limited and M/s D.P. Jain & Co Infrastructure Private Limited. The shareholding pattern of the Special Purpose Vehicle (SPV) comprises Khalatkar Constructions Infra Private Limited holding 73 per cent, while the remaining 27 per cent is held by D.P. Jain & Co Infrastructure Private Limited. Furthermore, Khalatkar Constructions Infra Private Limited (KCIPL) is responsible for the Engineering, Procurement, and Construction (EPC) of the SPV. Incorporated in 2020, KCIPL is managed by Mr. Jayant Khalatkar, the key promoter of the company, with support from Mr. Nihar Jayant Khalatkar. KCIPL has an extensive operational track record of over two decades in the civil construction industry, primarily through its earlier proprietorship entity, KCC, established in 1985. The company has successfully executed various projects across multiple government departments, including Rural Development, Water

Resources, National Highways, Railways, PWD, and MSRDC. As of 31st March 2025 (Provisional), KCIPL's tangible net worth stood at Rs.139.46 Cr. The company's total order book amounts to Rs. 923.17 Cr., comprising

Rs. 420.79 Cr. from the civil construction segment and the remaining from the toll collection segment. Acuite believes that the sponsor's healthy financial risk profile will continue to support NGARPPL, if required, going forward.

Strong counter party linked revenue profile.

The company entered into a concession agreement with PWD Maharashtra for improvement to roads in Wardha district in Maharashtra in October 2018. The company achieved PCOD in September 2022. The concession is granted to NGARPPL for 10 years after the PCOD was received and during the concession, Bi-annual annuity payments would be paid by PWD Maharashtra. The company has received five annuities till March 2025. Along with annuity payments, interest is payable to NGARPPL on reducing balance of completion cost at a rate equal to applicable bank rate plus 3 per cent. PWD Maharashtra shall also reimburse the O&M bid quote adjusted to Price Index Multiple on the annuity payment dates to NGARPPL.

Weaknesses

Susceptibility to risks related to delay in receipt of annuity and changes in operational cost & interest rate

As per the concession agreement, the company is entitled to receive bi-annual annuity payments. Any delay in the timely receipt of these annuities could adversely impact its debt-servicing ability. The company has already experienced slight delays in receiving the first and fourth annuity payments; however, most of the other payments have been received on time. In addition to fixed annuities, the project is also eligible to receive interest payments on the outstanding balance of annuities, calculated at a rate equivalent to the prevailing bank rate plus 3%. Furthermore, the company is exposed to risks associated with the maintenance of the project. Failure to adhere to prescribed standards and perform timely maintenance could significantly affect annuity inflows, thereby impacting the company's ability to service its debt. Acuite believes that, going forward, the timely receipt of annuity payments will be closely monitored, as any significant delay could impair the company's debt-servicing capacity. Additionally, timely execution of maintenance activities, as and when required, will remain a key rating sensitivity.

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)

NGARPPL shall be maintaining Debt Service Reserve Account (DSRA) for 1HY instalment and six months of interest along with the ESCROW waterfall mechanism.

Stress case Scenario

Acuite believes that, given the presence of DSRA mechanism NGARPPL will be able to service its debt on time, even in a stress scenario.

Rating Sensitivities

Timely receipt of annuity payments from PWD Maharashtra going forward.

Timely support from the sponsor for O&M activities.

Significant deterioration in the sponsor's credit profile.

Liquidity Position

Adequate

NGARPPL's liquidity position is considered adequate, supported by the timely receipt of annuity payments. The company received its fifth annuity on schedule in March 2025. The Debt Service Coverage Ratio (DSCR) is expected to remain adequate and above unity going forward. The company has maintained a Debt Service Reserve Account (DSRA) equivalent to six months of debt servicing, which covers one repayment instalment. Any additional fund support from the sponsor will be closely monitored, particularly in relation to incremental expenses associated with Operations & Maintenance (O&M) and major maintenance activities.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	21.74	17.90
PAT	Rs. Cr.	1.85	1.49
PAT Margin	(%)	8.53	8.30
Total Debt/Tangible Net Worth	Times	3.93	4.42
PBDIT/Interest	Times	1.35	1.20

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>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.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
19 Jun 2024	Term Loan	Long Term	54.00	ACUITE BBB Stable (Assigned)

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.	5.01	Simple	ACUITE BBB Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	13 Oct 2023	Not avl. / Not appl.	30 Apr 2031	48.99	Simple	ACUITE BBB Stable Reaffirmed

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Amay Gupta Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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