



**Press Release**  
**UJJAIN GAROTH ROAD PROJECT PRIVATE LIMITED**  
**July 02, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	269.50	ACUITE BBB+   Stable   Assigned	-
Bank Loan Ratings	19.50	-	ACUITE A2   Assigned
Total Outstanding Quantum (Rs. Cr)	289.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and short term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs 289.00 Cr. bank facilities of Ujjain Garoth Road Project Private Limited (UGRPPL). The outlook is '**Stable**'.

**Rationale for rating assigned**

The assigned rating reflects the advanced stage of project implementation and expected receipt of Provisional Commercial Operation Date (PCOD) as per the timelines and consequent annuity flow post receipt of PCOD certificate. Further, the rating reflects strong financial and operational support from GHV (India) Private Ltd (GIPL) which is a 99.99 percent shareholder of SPV with a proven track record spanning over five decades in executing infrastructure projects across roads, urban development, and airport construction for both government and private clients. Additionally, the rating benefits from the strong counterparty profile of the National Highways Authority of India (NHAI). However, it remains constrained by risks associated with the timely receipt of annuity payments and potential fluctuations in operational and interest costs, which may impact UGRPPL's debt servicing capacity.

**About the Company**

Ujjain Garoth Road Project Private Limited (UGRPPL) is a special purpose vehicle company promoted by GHV (India) Private Limited (GIPL) (Project Sponsors) incorporated on 01st April 2022 to undertake development, maintenance and management works of 4 laning of Ujjain - Garoth (Package I) Chandesari to Khedakhajuriya from km. 0.00 to (-) 750 & Km 0+000 to km 41.400 section of NH-148NG in state of Madhya Pradesh on Hybrid Annuity Mode. The Registered office of the company is located at Mumbai. The current directors of the company are Mr Farooq Husenbhai Vijapura and Mr Jahidmohmed Husenbhai Vijapura. The Project highway is a part of NH-148NG (Ujjain-Garoth), which comprises of 4 laning of National Highway, starting from Chandesari village in Ujjain block in Ujjain District and ending near Khedakhajuriya Village in Mahidpur Tehsil in Ujjain District in the state of Madhya Pradesh with approximate design length of 42.150 km.

**Unsupported Rating**

ACUITE BBB- | Stable

## **Analytical Approach**

Acuité has considered the standalone business and financial risk profile of Ujjain Garoth Road Project Private Limited (UGRPPL) (HAM Project) and notched up the standalone rating by factoring in the financial and operational linkages with GHV (India) Private Limited (GIPL).

## Key Rating Drivers

### Strengths

#### Established track record in EPC Business

UGRPPL is promoted by GIPL which has five decades of experience in infrastructure construction business. GIPL has an established track record of over five decades in executing EPC contracts mainly comprising of road, dams, bridges and irrigation projects. GIPL holds 99.99 percent shares of UGRPPL and will continuously provide technical support to the project going forward. Further, GIPL has strong financial flexibility as reflected from its healthy financial risk profile and adequate liquidity profile.

The company had faced delay in the completion of the project due to non-availability of encumbered free land (delay due to tree cutting & variation/mismatch in centreline coordinates), delay in issuance of Change Of Scope (COS) order, additional land required for Toll Plaza and delay in approval of General Arrangement Drawing (GAD) for Road Over Bridge (ROB) which led to time and cost overrun. The total EPC cost for the project has increased from Rs. 652.13 Cr. to Rs. 703.16 Cr, an increase of approximately Rs. 51 Cr., Out of the total Rs. 51 Cr, Rs. ~Rs. 18 Cr. was provided by NHAI in the form of PIM (Price Index Multiple) grant, with the remaining amount infused by the promoter. The project cost has been funded through ~Rs 124 Cr. of promoter's contribution, Rs 310 Cr. of grant from NHAI, and the remaining ~Rs 269.50 Cr. from external borrowing, which has been guaranteed by GIPL.

#### Strong Counter party implying low revenue risk due to annuity-based revenue model.

The project is issued and awarded by NHAI which is a central government agency strategically important to the Government of India. The project is being developed under an annuity-based revenue model where UGRPPL bears no traffic risk and recovers the entire capital cost through biannual annuity payments over a 15-year concession period. UGRPPL received 40% of the project cost as construction grants, and the remaining 60% will be paid in 30 semi-annual annuity instalments starting likely from September 2025, adjusted for the Price Index Multiple. Alongside annuity payments, NHAI will reimburse interest on the reducing balance of the completion cost (net of grants) at a rate equal to the MCLR of the top 5 scheduled commercial banks plus 1.25% and reimburse Rs. 30 Cr. (O&M bid quote) adjusted for price index on annuity dates. UGRPPL will undertake operations and maintenance during the concession phase, with financial support from NHAI. UGRPPL has already received all milestone payments, the last being in February 2025. The annuity model includes price index adjustments to mitigate inflation-related risks price fluctuation risk to a certain extent.

#### Waterfall Mechanism in ESCROW account and Debt-service reserve account (DSRA)

UGRPPL has escrow mechanism through which cash flows from the Authority will be 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. Also, the borrower/sponsor shall maintain DSRA which is to be created covering the principal and interest payable for 6 months, DSRA requirement for meeting 3 months debt servicing shall be created by sponsor on receipt of 1st annuity. The balance 3 months shall be created on the receipt of 2nd annuity. In case company is unable to create entire DSRA, sponsor will bring funds for meeting shortfall in DSRA. Furthermore, bank guarantee given by the sponsor – GHV India Private Limited (GIPL) is till 2nd Annuity or creation of DSRA, whichever is later.

### 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 expected to receive a semi-annual annuity after 6 months post achieving the PCOD. Any delay in timely receipt of the annuity could adversely impact the debt-servicing ability. Along with fixed annuities, the project will receive interest payments on the balance annuities that are linked to the MCLR of 5 scheduled commercial banks. Further, the company is exposed to risks related to maintenance of the project. If the prescribed standards and timely maintenances of the project are not met, it may have a bearing on the annuity payments, and with any significant delay or deduction in annuities could impact the debt servicing ability of the company.

Acuite believes that any delay or deduction in annuities will affect the debt servicing capabilities of the UGRPPL. However, this risk is mitigated to an extent on the back of support from the sponsor and strong counter party (NHAI).

#### 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)

UGRPPL shall maintain Debt Service Reserve Account (DSRA) for six-months debt servicing obligation (Principal and Interest) along with the ESCROW mechanism.

#### Stress case Scenario

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

### **Rating Sensitivities**

- Timely receipt of COD certifications.
- Timely receipt of annuity payments from the NHAI
- Timely support from the sponsor for O&M activities
- Significant deterioration in the sponsor's credit profile

### **Liquidity Position Adequate**

UGRPPL's liquidity position is adequate marked by strong resource mobilization from its parent GIPL. Promoter has infused substantial amount of funds to execute the order. In addition, company received all the grants from NHAI. The cash and bank balance stood at Rs. 43.42 Cr. as on March 31, 2024. Further, the repayment of term loan will commence from October 2025 that is seven months post the scheduled PCOD. Further, there exists escrow mechanism and the company will be required to create DSRA which helps to mitigates liquidity mismatches. Acuite expects the liquidity of UGRPPL is likely to remain adequate backed by existence of DSRA mechanism, support from parent and government in terms of annuity payments.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	213.04	103.90
PAT	Rs. Cr.	(1.42)	0.47
PAT Margin	(%)	(0.67)	0.45
Total Debt/Tangible Net Worth	Times	3.69	0.47
PBDIT/Interest	Times	0.83	1.28

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

None

### 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, 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](http://www.acuite.in).

### Rating History :

Not Applicable

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	19.50	Simple	ACUITE A2   Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	18 Jul 2022	Not avl. / Not appl.	30 Apr 2038	269.50	Simple	ACUITE BBB+   Stable   Assigned

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

<b>Sr. No</b>	<b>Company Name</b>
1	Ujjain Garoth Road Project Private Limited
2	GHV (India) Private Limited

## Contacts

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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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