



Press Release
WAGAD NETRANG ROAD PRIVATE LIMITED
August 22, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	275.70	ACUITE BBB Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	275.70	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of '**ACUITE BBB**' (read as **ACUITE Triple Bo**)n the Rs. 275.70 Cr. bank facilities of Wagad Netrang Road Private Limited (WNRPL). The outlook is '**Stable**'.

Rationale for Rating

The rating assigned reflects the established track record and healthy operating and financial risk profile of the sponsor, Wagad Infraprojects Private Limited (WIPL). The rating also factors in the benefits arising from the strong counterparty profile of the National Highways Authority of India (NHAI), which enhances the overall credit quality of the project along with maintenance of a Debt Service Reserve Account (DSRA) equivalent to six months instalment of principal and interest obligations. However, the rating is constrained by risks associated with the very nascent stage of the project, which contributes to high project execution risk. Any delays in timely execution are likely to impact milestone and annuity payments. The rating is also constrained due to the risks related to changes in operational cost & interest rate.

About the Company

Gujarat based Wagad Netrang Road Private Limited (WNRPL) was incorporated in 2024. The company has been promoted by Wagad Infraprojects Private Limited (WIPL) for the sole purpose of upgradation of existing Two Lane Carriageway to Four Lane Divided Carriageway from Ch. 179+780 (Existing Km.506.660) in Bitada/Movi Village in Netrang Taluka to Ch. 208+900 (Existing Km. 535.930) in Nasarpore Village in Umarpada Taluka (Length 29.120 Km) Section of NH-56 in the State of Gujarat on Hybrid Annuity Mode (Package V). The Directors of the company are Mr. Ashok jain and Mr. Andesh Jain.

Unsupported Rating

Acuite BB-/Stable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Wagad Netrang Road Private Limited (WNRPL) to arrive at the rating. The financial and operational support from the sponsor Wagad Infraprojects Private Limited (WIPL) factored in for the rating notch up.

Key Rating Drivers

Strengths

Established sponsor profile

Wagad Infraprojects Private Limited (WIPL) is the promoter and sponsor of Wagad Netrang Road Private Limited (WNRPL). The promoters have nearly four decades of experience in civil construction, with a strong execution record across Rajasthan, Madhya Pradesh, and Gujarat through projects for government and private clients. The net worth of the sponsor stood at Rs.177.00 Cr. as on 31st March 2025 (Prov.). WIPL holds 99.75 per cent shares of WNRPL and has provided technical and financial support, including a corporate guarantee, to the project. Further, WIPL has strong financial flexibility, as reflected in its healthy financial risk profile and adequate liquidity position. Acuite believes that the established operational track record and healthy financial risk profile of the sponsor will support WNRPL in completing the project on a timely basis.

Waterfall mechanism in ESCROW account and DSRA

WNRPL is required to maintain an escrow account with a waterfall mechanism. Under this arrangement, cash flows from the Authority will be routed through the escrow account and utilised as per the defined payment

hierarchy. The cash flows will be applied towards operating expenses, debt servicing obligations, and provisions for major maintenance. Any surplus after meeting these obligations may be used at the borrower's discretion during the concession period. Any mismatch in cash flows due to timing differences between annuity receipts and debt repayments is expected to be met through support from WIPL. The company is also mandated to maintain a Debt Service Reserve Account (DSRA) equivalent to six months of scheduled interest and principal repayments.

Low counter party risk

The project has been issued and awarded by the National Highways Authority of India (NHAI), which also acts as the concessioning authority. The counterparty risk is considered low, given NHAI's strong credit profile. WNRPL is scheduled to receive approximately 41 per cent of the project cost as construction grants, while the remaining amount will be disbursed through 30 biannual annuity instalments, tentatively commencing from April 2028. WNRPL will be responsible for operations and maintenance during the concession period, with oversight and support from NHAI. The first milestone payment is expected in December 2025 or January 2026, upon achieving the specified physical progress.

Weaknesses

High Project Execution Risk

The appointment date for the project is yet to be allotted and is expected by September 2025. The project is currently at very nascent stage, with construction scheduled to commence upon receipt of the appointment date. The first milestone payment is expected by December 2025 or January 2026, upon achieving 5 per cent physical progress. Any delay in timely achievement of milestones may result in cost or time overruns. The total project cost is Rs.604.93 Cr., to be funded through Rs.78.64 Cr. from promoter's contribution, Rs.250.63 Cr. in the form of milestone-linked grants, and a sanctioned term loan of Rs.275.66 Cr. Against the required promoter's contribution, Rs.18.00 Cr. (~23 per cent) has been infused as on June 30, 2025. Accordingly, the company remains exposed to high project execution risk and moderate funding risk.

Exposed to risks such as delay in receiving annuity payments and any changes in operational cost & interest rate

As per the concession agreement, the company is expected to receive a Semi -annual annuity. Any delay in timely receipt of the annuity could adversely impact debt-servicing ability. Along with fixed annuities, the project will receive interest payments on the balance annuities at a rate equivalent of prevailing bank rate plus spread. 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 performed, it will significantly affect 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 WNRPL.

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)

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

Stress case Scenario

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

Rating Sensitivities

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

Liquidity Position

Adequate

WNRPL's liquidity profile is adequate, supported by strong financial backing from its parent company, Wagad Infraprojects Private Limited (WIPL). The promoter has infused approximately Rs.18 Cr. to facilitate project execution. Additionally, the company is expected to receive milestone-based grant payments totalling Rs.250.63 Cr. from the National Highways Authority of India (NHAI). A term loan of Rs.275.66 Cr. has also been sanctioned, pending disbursement. The presence of a waterfall mechanism and the requirement to establish a Debt Service Reserve Account (DSRA), equivalent to six months of principal and interest payments, further strengthen the company's liquidity framework by mitigating potential mismatches. Acuite expects WNRPL's liquidity to remain adequate, supported by continued promoter contributions, assured milestone and annuity inflows backed by NHAI, and a structured financial framework including reserve mechanisms.

Outlook: Stable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	(0.62)	0.00
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	0.00	0.00
PBDIT/Interest	Times	0.00	0.00

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.

Rating History :

Not Applicable

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.	0.04	Simple	ACUITE BBB Stable Assigned
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2041	155.66	Simple	ACUITE BBB Stable Assigned
India Infrastructure Finance Company Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2041	120.00	Simple	ACUITE BBB Stable Assigned

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

Sr.No.	Name of the company
1	Wagad Infraprojects Private Limited
2	Wagad Netrang Road Private Limited

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

About Acuité Ratings & Research

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