



**Press Release**  
**S M L ROAD INFRA PROJECTS LLP**  
**October 17, 2025**  
**Rating Assigned**

| Product                            | Quantum (Rs. Cr) | Long Term Rating                | Short Term Rating |
|------------------------------------|------------------|---------------------------------|-------------------|
| Bank Loan Ratings                  | 18.40            | ACUITE BBB-   Stable   Assigned | -                 |
| Total Outstanding Quantum (Rs. Cr) | 18.40            | -                               | -                 |
| Total Withdrawn Quantum (Rs. Cr)   | 0.00             | -                               | -                 |

**Rating Rationale**

Acuite has assigned the long-term rating of '**ACUITE BBB-**' (read as **ACUITE Triple B minus**) on the Rs. 18.40 Cr. bank facilities of S M L Road Infra Projects LLP (SML). The outlook is '**Stable**'.

**Rationale for Rating Assigned**

The rating assigned considers the project completion along with all the milestone payments received from the authority and receipt of four annuity payments till September 2025. Further, the rating factors in the adequate liquidity of the firm maintained in the form of debt service reserve account (DSRA), equivalent to six months' interest payments and two principal instalments along with presence of an escrow mechanism. However, the rating remains constrained due to risk related to delay in annuity payments, as evidenced in the recent past and changes in operational and interest cost, which could affect the debt serving capabilities of the firm.

**About the Company**

S M L Road Infra Projects LLP (SML) is a SPV established by Aschons Infrastructure Private Limited (AIPL) and Pracons Infratech Private Limited (PIPL) in Maharashtra. As on 31st July 2025, the profit-sharing ratio stands at 21.33 percent and 78.67 per cent respectively. The firm entered into Concession Agreement (CA) on 20th January 2020 with the Public Works Department (PWD) of the Government of Maharashtra. Under the CA, it upgraded the – Improvement to Shriwardhan Mhasala – Lonere SH-99, Km. 0/00 to 49/800 (Excluding Mhasala Bypass Km 0/000 to Km 3/500) Tal. Shriwardhan, Dist. Raigad on Hybrid Annuity Mode in the state of Maharashtra. The firm is managed by Mr. Prasanna Kumar Pillai and Mr. Ashish Jayram Rai.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profiles of S M L Road Infra Projects LLP (SML) to arrive at the rating.

**Key Rating Drivers**



### **Benefits derived from the annuity-based payment revenue model**

SML was awarded with a road improvement project covering a length of 45.78 km which was awarded by Public Work Department, Government of Maharashtra for concession period of 10 years after construction period of 2 years. SML signed the concession agreement with PWD, GoM on December 28, 2018. The project was awarded on 18<sup>th</sup> September 2019 and appointed date was obtained in January 2020. The project achieved its commencement of operations date (COD) in July 2023 after the extension of 6 months was granted by the authority and is now receiving annuities, interest, and O&M payments. The project has an annuity-based revenue model. Under this model, the PWD, Maharashtra makes bi-annual payment over the concession period to the concessionaire. Therefore, the firm does not bear any traffic risk as it recovers whole of the capital cost through annuity. Acuité believes that RJPL will continue to benefit from favourable clauses in the concession agreement under the HAM.

### **Presence of waterfall mechanism in escrow account and maintenance of DSRA**

SML has an escrow mechanism in place wherein cash flows from Authority are collected and then routed for repayment of debt and other expenses through current account. 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. The average debt service coverage ratio (DSCR) is expected to remain at ~2.38 times during the loan tenor. Further, the firm maintains debt service reserve account (DSRA) equivalent to six months interest payments and two principal instalments in the form of fixed deposits to mitigate any unforeseen risk related to delay in annuity receipt etc. The firm also maintains a major maintenance reserve account to meet the maintenance expenses over the concession period.

### **Low revenue risk on account of project completion and receipt of annuities**

As per the concession agreement, during the concession period of 10 years, the firm is entitled to receive semi-annual annuity payments beginning December 2023. However, the first annuity, due in December 2023, was received with a delay in March 2024. The second annuity, scheduled for 30th June 2024, was further delayed due to a clerical error and was eventually received in February 2025 wherein partners supported the timely repayment of debt. Subsequently, the third and fourth annuity payments were received within three months of their respective due dates, indicating improved adherence to the payment schedule. As of 30th September 2025, the outstanding annuity payments stood at Rs. 49.33 crore. In addition to the annuity, SML is entitled to receive interest on the reducing balance of the project completion cost at a rate equivalent to the applicable bank rate plus 3 per cent, as well as reimbursement of the operation and maintenance (O&M) bid quote, adjusted to the Price Index Multiple, on each annuity payment date. By September 2025, the firm had received four annuities along with interest and O&M reimbursements totalling approximately Rs. 21 crore. Furthermore, in line with its contractual obligations, SML is required to carry out micro sealing on the project stretch in the third year post-COD, scheduled for FY2025–26, with an estimated cost of Rs. 4.04 crore. Additionally, the firm must undertake full-length renewal using bituminous concrete in the seventh year post-COD. Any delay in receipt of annuity could exert pressure on timely repayment of debt, however timely support from partners in such scenarios would remain as a key rating sensitivity.

## **Weaknesses**

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

As per the concession agreement, the firm 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 firm 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 firm 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 firm'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 firm's debt-servicing capacity. Additionally, timely receipt of annuity and 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)**

SML shall be maintaining Debt Service Reserve Account (DSRA) for two semi annual principal repayments and six months of interest payments along with the ESCROW waterfall mechanism.

**Stress case Scenario**

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

**Rating Sensitivities**

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

**Liquidity Position  
Adequate**

SML's liquidity position is adequate marked by support from the sponsors i.e. Aschons Infrastructure Private Limited (AIPL) and Pracons Infratech Private Limited (PIPL) in the form of corporate guarantee for the entire tenure of the loan and receipt of annuities (including interest and other payments) from authority. Further, firm has maintained DSRA of Rs. 2.45 crore in form of fixed deposits and Rs. 1.87 crore for major maintenance work. 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. | 9.00                | 23.83          |
| PAT                           | Rs. Cr. | 0.54                | 2.26           |
| PAT Margin                    | (%)     | 6.01                | 9.49           |
| Total Debt/Tangible Net Worth | Times   | 0.71                | 0.83           |
| PBDIT/Interest                | Times   | 1.22                | 36.43          |

### 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>

### 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](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>                   |
|----------------------|----------------------|-------------------|-------------------------|----------------------|----------------------|--------------------------|-------------------------|---------------------------------|
| Bank Of Baroda       | Not avl. / Not appl. | Term Loan         | 19 Aug 2024             | Not avl. / Not appl. | 19 Feb 2032          | 18.40                    | Simple                  | ACUITE BBB-   Stable   Assigned |

## Contacts

|                                                          |                                                                                                               |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
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