

MEP Nagpur Ring Road 1 Private Limited

January 03, 2023

Ratings

| Facilities / Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|---------------------------|--|---|--|
| Long Term Bank Facilities | 250.95 | CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Total Facilities | 250.95 (Rs. Two Hundred Fifty Crore and Ninety-Five Lakhs Only) | | |

Details of instruments/facilities in Annexure-1

**Issuer did not cooperate; Based on best available information*

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated October 08, 2021, placed the rating(s) of MEP Nagpur Ring Road 1 Private Limited (MNRR1PL) under the 'issuer non-cooperating' category as MNRR1PL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. MNRR1PL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated August 24, 2022, September 03, 2022, September 13, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

Please refer to PR dated [October 08, 2021](#)

Analytical approach: Consolidated - CARE has adopted consolidated approach by considering the financial metrics of MEP Infrastructure Developers Limited (MEPIDL) as the operations of MEPIDL and its subsidiaries are closely linked and same is underpinned by the centralized management and common treasury functions among various entities through which it operates in toll collection business.

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

About the Company

MEP Infrastructure Developers Limited (MEPIDL)

Incorporated in 2002, MEP Infrastructure Developers Limited (MEPIDL) started out with road project contracts for toll collection and OMT (Operate, Maintain & Transfer). However, it has now evolved into an integrated road infrastructure developer. The company at standalone level executes toll collection projects with tenure of upto one to three years. In case of projects beyond one to three years are executed through Special Purpose Vehicles (SPVs). The financing of these SPVs is actively managed by MEPIDL, which has substantial exposure in the form of investments as well as advances.

MEP Nagpur Ring Road 1 Private Limited

MNRR1PL is a Special Purpose Vehicle (SPV) promoted by MEP Infrastructure Developers Limited in Joint Venture with M/s Sanjose India Infrastructure and Construction Private Limited (74:26) for execution of project envisaging four laning of standalone Ring road/bypasses for Nagpur City, Package-I from km 0+500 to km 34+000 (Total Length - 33+500 km) in the State of Maharashtra on DBFOT (Hybrid Annuity) basis.

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE's publications

MEP Infrastructure Developers Limited (Consolidated key financials):

| Brief Financials (Rs. crore) | FY20 (A) | FY21 (A) | FY22 (A) | H1FY23 (UA) |
|------------------------------|----------|----------|----------|-------------|
| Total operating income | 2236.11 | 1123.19 | 967.37 | 238.29 |
| PBILDT | 537.26 | 464.62 | 503.70 | -3.44 |
| PAT | -86.12 | -76.78 | -225.47 | -132.46 |
| Overall gearing (times) | NM | NM | NM | NM |
| Interest coverage (times) | 1.30 | 1.35 | 1.74 | NM |

A: Audited; UA: Unaudited; Prov.: Provisional NM: Not Meaningful; NA: Not available

MEP Nagpur Ring Road 1 Private Limited (Standalone financials)

| Brief Financials (Rs. crore) | FY20 (A) | FY21 (A) | FY22 (A) | H1FY23 (Prov.) |
|------------------------------|----------|----------|----------|----------------|
| Total operating income | 55.83 | 13.19 | NA | NA |
| PBILDT | 14.73 | 1.52 | NA | NA |
| PAT | -12.34 | -5.62 | NA | NA |
| Overall gearing (times) | 2.72 | 3.15 | NA | NA |
| Interest coverage (times) | 0.59 | 0.05 | NA | NA |

A: Audited; Prov.: Provisional; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Please refer Annexure 3

Complexity level of various instruments rated for this Company: Please refer Annexure 4

Annexure-1: Details of Instruments/Facilities

| Name of the Instrument | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating Assigned along with Rating Outlook |
|---------------------------|------|------------------|-------------|---------------|-------------------------------|---|
| Fund-based - LT-Term Loan | | - | - | June 2034 | 250.95 | CARE D; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---------|--|-----------------|--------------------------------|---------------------------------|---|---|---|--|
| | | Type | Amount Outstanding (Rs. crore) | Rating | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020 |
| 1 | Fund-based - LT-Term Loan | LT | 250.95 | CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D; ISSUER NOT COOPERATING* (08-Oct-21) | 1)CARE D; ISSUER NOT COOPERATING* (20-Aug-20) | 1)CARE BB+(CE); Negative; ISSUER NOT COOPERATING* (14-Feb-20) 2)CARE BB+(CE); Negative; ISSUER NOT COOPERATING* |

| | | | | | | | | |
|---|---|----|---|---|---|-------------------------|--|--|
| | | | | | | | | (26-Nov-19) 3)CARE BB+ (CE); Negative (07-Oct-19) |
| 2 | Un Supported Rating-Un Supported Rating (Long Term) | LT | - | - | - | 1)Withdrawn (08-Oct-21) | 1)CARE D; ISSUER NOT COOPERATIN G* (20-Aug-20) | 1)CARE D; ISSUER NOT COOPERATIN G* (14-Feb-20) 2)CARE BB-; Negative; ISSUER NOT COOPERATIN G* (26-Nov-19) 3)CARE BB-; Negative (07-Oct-19) |

**Issuer did not cooperate; Based on best available information*

Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities:

| Name of the Instrument | Detailed explanation |
|--|--|
| A. Financial covenants | The Borrower shall comply with the following covenants: |
| I. Debt to Equity Ratio | Debt to Equity ratio shall not exceed 3:1 during the entire tenure of the debt |
| II. DSCR | DSCR shall at no point in time, fall below 1 during the entire tenure of the debt. In the event of adverse deviation of more than 10% from the levels stipulated above, the Sponsors/Promoters should bring in such additional funds required to meet the resultant gap in DSCR. |
| B. Non-financial covenants | |
| I. Monthly progress report | Arrange to provide monthly progress reports from the LIE to the Senior lenders in the form required by the Senior lenders |
| II. Agree to maintain DSRA | Agree to maintain DSRA as specified in the term sheet |
| III. Submission of audit accounts | Submit the audit accounts to Senior lenders within 180 days of close of each financial year |

Annexure 4: Complexity level of various instruments rated for this company:

| Sr. No. | Name of the Instrument | Complexity Level |
|---------|---------------------------|------------------|
| 1 | Fund-based - LT-Term Loan | Simple |

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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