



Press Release

Manawar kukshi Tollways Private Limited (MKTPL)

June 30, 2023

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long term fund based bank facility – Term Loan	24.00 (Decreased from 30.52)	IVR BBB [CE]/ Stable (IVE Triple B [Credit Enhancement] with Stable Outlook)	Reaffirmed	Complex
Total	24.00			

**CE Rating based on irrevocable and unconditional corporate guarantee provided by Agroh Infrastructure Developers Private Limited (AIDPL).*

Details of Facilities are in Annexure 1

Unsupported Rating #	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)
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Note: Unsupported Rating does not factor in the explicit credit enhancement.

Detailed Rationale for the credit enhanced debt

The rating to the bank facilities of Manawar kukshi Tollways Private Limited (MKTPL) is based on the unconditional and irrevocable corporate guarantee given by Agroh Infrastructure Developers Private Limited (AIDPL) [Holding company] which covers the entire rated amount. For assigning the ratings, Infomerics has assessed the attributes of the guarantee issued by AIDPL in favour of lender who has extended the said facilities. While the guarantee is legally enforceable and unconditional and covers the entire amount and tenor of the rated facilities, it does not have a structured payment mechanism defining invocation and payment timelines. However, as per the clarification given by RBI vide FAQ dated July 26, 2022, for existing loans, the Credit Rating Agencies may reckon the existing guarantees till the residual tenure of the rated instrument. Accordingly, Infomerics has reaffirmed the CE ratings to the bank facilities of MKTPL considering the existing corporate guarantee.

Detailed Rationale



Press Release

The rating reaffirmation to the bank facilities of Manawar kukshi Tollways Private Limited (MKTPL) continuous to derive comfort from long track record of the Group in road infrastructure segment, Consistent toll revenue collection, Support from group company through unsecured loans and corporate guarantee. However, these rating strengths remain constrained by Significant exposure to traffic risk & major maintenance of the road.

Key Rating Sensitivities:

Upward Factors

- Significant improvement in toll revenues impacting a positive change in the cash flows.

Downward Factors

- Deterioration in cashflow and/or lack of timely support from the promoter or group company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Long track record of the Group in road infrastructure segment

Manawar kukshi Tollways Private Limited (MKTPL) is likely to benefit from the experience and track record of Agroh Group in the road infrastructure sector. Agroh Infrastructure Developers Private Limited (AIDPL) holding company of MKTPL was promoted by Shri. Shailendra Singhal. The promoters have rich experience of over four decades in the road construction segment, having successfully executed various projects from NHA and other government authorities over the years. They are also assisted by a team of experienced professionals having relevant industry experience.

Consistent toll revenue collection

The project achieved commissioning in September 14, 2014 and toll collection commenced from September 11, 2014 and the project has an operational track record of around 8 years. There has been consistent increase in the toll collection revenues over the past 3 years.



Press Release

Support from group company through unsecured loans and corporate guarantee

AIDPL, has provided unconditional & irrevocable corporate guarantee for the bank facilities availed by MKTPL. Further AIDPL has extended unsecured loans to MKTPL. Going forward, Infomerics believes MKTPL will continue to receive need based financial support from its financially strong corporate guarantor, in case of pressure on cash flows.

Key Rating Weaknesses

Significant exposure to traffic risk & major maintenance of the road:

MKTPL undertook BOT based project on account of which the Company books revenue from toll receipts as well as Annuity. Hence its revenue potential is dependent on traffic volumes which in turn are largely influenced by the level of economic activity in and around the area of operation. Lower than expected traffic volumes arising from adverse events can impact cash flows causing cash flow mismatches. Also, MKTPL has to ensure maintenance of the road for the entire concession period.

Analytical Approach:

Credit Enhancement (CE) Rating: Assessment of the credit profile of AIDPL, provider of unconditional and irrevocable corporate guarantee to the bank facilities of MKTPL.

Unsupported Rating: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Criteria on Rating Outlook](#)

[Rating Methodology for Structured Debt Transactions \(Non-Securitisation Transaction\)](#)

Liquidity – Adequate

The liquidity position of the firm is expected to remain adequate in the near to medium term driven by sufficient cushion in expected accruals in the range of ~Rs.46 crore to Rs.59 crore



Press Release

as compared to debt repayment obligation in the range of ~Rs.25 - 14 crore during FY24-26. however, its average of bank limit utilisation remained moderate at 90.04% for twelve months ended March 2023.

About the Company

Manawar kukshi Tollways Private Limited (MKTPL) is incorporated as an SPV of Agroh Infrastructure Developers Private Limited for construction of two laning of Manawar – Singhana – Kukshi Road in Madhya Pradesh on Design, Built, Operate & Transfer (DBOT - Toll) basis. The above project was awarded by Madhya Pradesh Road Development Corporation Limited a 100% owned state government undertaking for a concession period of 30 years. The construction of project was completed in September 2014 and later company started toll collection.

Financials (Standalone):

For the year ended/ As on*	INR in Crore	
	31-03-2022 (Audited)	31-03-2023 (Provisional)
Total Operating Income	4.69	5.79
EBITDA	3.91	4.65
PAT	2.32	4.44
Total Debt	61.90	54.34
Tangible Network	27.69	29.50
EBITDA Margin (%)	83.39	80.30
PAT Margin (%)	23.05	35.65
Overall Gearing Ratio (x)	1.80	1.47

* Classification as per Infomerics' standards

About the Guarantor – Agroh Infrastructure Developers Private Limited (AIDPL)

Agroh Infrastructure Developments Private Limited (AIDPL) was incorporated on March 13, 2001. AIDPL is the flagship company of Agroh Group and is engaged in EPC work of the Projects awarded to AIDPL and implemented under the wholly owned SPVs of AIDPL. The company is actively involved in all verticals and models within construction in India including



Press Release

the traditional route based on payment basis or modern model of PPP (Public Private Partnership). Viz. BOT (Build-Operate-transfer) and Annuity.

Financials (Standalone):

For the year ended/ As on*	INR in Crore	
	31-03-2022 (Audited)	31-03-2023 (Provisional)
Total Operating Income	416.45	290.69
EBITDA	56.33	60.85
PAT	16.14	24.51
Total Debt	262.29	357.73
Tangible Networkth	346.33	413.49
EBITDA Margin (%)	13.53	20.93
PAT Margin (%)	3.87	8.43
Overall Gearing Ratio (x)	0.74	0.77

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (May 25, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Fund based bank facility – Term Loan	Long Term	24.00	IVR BBB [CE]/ Stable	IVR BBB [CE]/ Stable	-	-



Press Release

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About Infomerics:

Infomerics Valuation and Rating Private Limited (Infomerics) was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities



Press Release

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long term fund based bank facility – Term Loan	-	-	March 2026	24.00	IVR BBB [CE]/ Stable

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Manawar-jun23.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.