



## Press Release

### MCGN Infra Private Limited

November 02, 2020

Rating			
Facilities/Instruments	Amount (Rs. crore)	Rating	Rating Action
Long Term Bank Facilities – (Proposed)	70.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)	Downgraded and moved to ISSUER NOT COOPERATING category
<b>Total</b>	<b>70.00</b>		

*\*Issuer did not cooperate; based on best available information*

#### **Details of Facility are in Annexure 1**

#### **Detailed Rationale**

The rating downgrade is because of lack of adequate information regarding MCGN Infra Private Limited (MCGN)'s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

#### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated August 05, 2020, September 01, 2020, October 01, 2020 and October 12, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for the surveillance exercise. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term ratings for the proposed bank loan facilities aggregating to Rs.70.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+: Issuer Not Co-



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operating; Based on best available information. (IVR Double B Plus: Issuer Not Co-operating; Based on best available information).

### **Analytical Approach & Applicable Criteria**

Standalone

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

### **About the Company**

MCGN Infra Private Limited (MCGN) is a joint venture floated in December 2018 by Manjeet Cotton Private Limited (MCPL; 37% stake), GNI Infrastructure Private Limited (GIPL; 37% stake) and BP Sangle Constructions Private Limited (BPSCL; 26% stake). MCGN has entered into a 12 year Concession Agreement (CA) (including construction period of 730 days [about two years] from the appointed date i.e., May 17, 2019) with Public Works Department (PWD), Maharashtra for the development, maintenance and management of Road SH-224 and Road SH-225 between Badnapur – Nanegaon – Jamkhed towards NH-211 (Length is 31.49 km) and Sillod to Deulgaonraja (SH-51, Length is 23.70 km) to two lanes / four lanes in the state of Maharashtra on hybrid annuity basis. The total bid project cost (BPC) of Rs.232.00 crore (that will be adjusted for variation in price index between bid date and appointed date) and the provision for interest and expense of Rs.5.76 crore up to the date of first annuity is being funded through promoter’s contribution of Rs.30.56 crore, term debt of Rs.68.00 crore and grant from PWD of Rs.139.20 crore (60% of the total BPC), with an estimated project debt-equity ratio of 0.40:1. The construction of the project started from May, 2019 and MCGN has already achieved two milestones till July, 2019 and the project is expected to be completed by May, 2021.

**Financials (Standalone):** As the company was incorporated in December 2018, past financials are not applicable. Also, we are not provided with the FY19 and FY20 financials.

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

**Rating History for last three years:**

		<b>Current Rating (Year 2020-21)</b>	<b>Rating History for the past 3 years</b>
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S. No.	Name of Instrument/Facilities	Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Proposed	Long Term	70.00	IVR BB+ (IVR Double B Plus) ISSUER NOT COOPERATING	IVR BBB/ Stable Outlook (IVR Triple B with Stable Outlook) (September 12, 2019)	--	--

**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](http://www.infomerics.com).

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**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



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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 Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Proposed	-	-	-	70.00	IVR BB+ Issuer Not Cooperating*

*\*Issuer did not cooperate; based on best available information*