



Press Release

MEP Longjian VTR Pvt Ltd

March 02, 2021

Ratings

Facilities	Amount (INR crore)	Current Ratings	Rating Action
Proposed Term Loan	567.78	IVR BB ISSUER NOT COOPERATING* (IVR Double B ISSUER NOT COOPERATING)	Revised
Proposed Fund Based Limit - Overdraft	20.00	IVR BB ISSUER NOT COOPERATING* (IVR Double B ISSUER NOT COOPERATING)	Revised
Proposed Non Fund Based Limit – Overdraft	59.15	IVR BB ISSUER NOT COOPERATING* (IVR Double B ISSUER NOT COOPERATING)	Revised
Total	646.93		

**Issuer not cooperating, based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The aforesaid rating revision to the proposed bank facilities of MEP Longjian Pvt Ltd reflects lack of adequate information available about the performance of the company and 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 rating revision.



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Note on non-cooperation

Infomerics has repeatedly followed up with the company to provide information to monitor the rating(s) vide e-mail dated January 22nd, 2021; January 25th, 2021 and February 13th, 2021 along with telephonic calls. However, despite repeated requests, the company has failed to submit Audited financial statements for FY19 and FY20 and other data for review. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics is revising the long term rating for the proposed bank loan facilities of MEP Longjian VTR Pvt Ltd aggregating to INR646.93 crore and is continued as 'ISSUER NOT COOPERATING' category. The rating is now revised and denoted as IVR BB ISSUER NOT COOPERATING (pronounced IVR Double B ISSUER NOT COOPERATING).

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

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by Clients

About the Company

MEP Longjian VTR Pvt Ltd (MLVPL) is a joint venture floated in April 2018 by MIDL (51% stake) and LRBCL (49% stake). MIDL is engaged in contracts for collection of toll for NHAI, PWD, etc, OMT (Operate, Maintain & Tolling) for existing highways & bridges and execution of HAM projects of State/National Highways. LRBCL is a Chinese Government owned Company, engaged in construction of road and bridges both in domestic and overseas fronts. MLVPL has entered into a 17.5 year Concession Agreement (CA) (including construction period of 910 days [about 2.5 yrs] from the appointed date) with National Highways Authority of India (NHAI) to design, build, operate and transfer of 23.798 km of road in HAM basis.



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Financials

As the company was incorporated in April 2018, past financials are not applicable/unavailable.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sl. No.	Name of Instrument/Facilities	Type	Current Rating (Year 2020-21)		Rating History for the past 3 years		
			Amount outstanding (INR crore)	Assigned Rating	Date(s) & Rating(s) assigned in 19-20 (PR dated 14.01.2020)	Date(s) & Rating(s) assigned in 18-19 (PR dated 30.10.2018)	Date(s) & Rating(s) assigned in 17-18
1.	Proposed Term Loan	Long Term	567.78	IVR BB ISSUER NOT COOPERATING	IVR BB+ ISSUER NOT COOPERATING	IVR BBB / Stable Outlook	-
2.	Proposed Fund Based Limit – Overdraft	Long Term	20.00				
3.	Proposed Non Fund Based Limit – Bank Guarantee	Long Term	59.15				

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.

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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 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

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Proposed Term Loan	--	--	--	567.78	IVR BB ISSUER NOT COOPERATING
Proposed Fund Based Limit – Overdraft	--	--	--	20.00	IVR BB ISSUER NOT COOPERATING
Proposed Non Fund Based Limit – Bank Guarantee	--	--	--	59.15	IVR BB ISSUER NOT COOPERATING