



Press Release

MCGN Infra Private Limited

September 28, 2022

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	68.00	IVR BB+ ISSUER NOT COOPERATING* (IVR double B plus Issuer Not Cooperating)	Revised from IVR BBB/ Stable and moved to the 'Issuer Not Cooperating' category	Simple
Total	68.00 (INR sixty-eight crore only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding MCGN Infra Private Limited's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company 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 company.

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 May 02, 2022, June 1, 2022, June 17, 2022, July 12, 2022, July 20, 2022, and August 2, 2022, August 18, 2022, September 1, 2022, September 6, 2022, and September 8, 2022, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details for surveillance exercise.



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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 rating for the bank loan aggregating to Rs. 68.00 crore shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+ ISSUER NOT CO-OPERATING based on best available information (IVR double B plus Issuer Not Co-operating based on best available information) of MCGN Infra Private Limited. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria: Standalone

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for manufacturing companies](#)

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

About the company

MCGN Infra Private Limited (MIPL) 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 (BPSCPL; 26% stake). MIPL has entered into a 12 year Concession Agreement (CA) (including construction period of 730 days [about 2 years] from the appointed date i.e., May 17, 2019) with Public Works Department (PWD) 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 bid project cost after adjusting price index multiple of 1.10 is Rs.255.20 crore. Since, the company is executing this project via HAM, 60% of the project cost has been funded by PWD, while the remaining 40% would be paid out as annuity by PWD during the operational phase of the project.

The project has achieved COD on January 16, 2021, as against the earlier envisaged COD of June 01, 2021. The company has received grant from PWD to the extent of Rs.163.61 crore



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till date. The company is entitled to receive pending amount of grant of Rs.3.67 crore and bonus to the extent of Rs.1.85 crore for completing the project ahead of schedule. The same is expected to be received by October 2021. Annuity and O&M payments from PWD will start after 6 months from the date of COD i.e., end of July 2021 tentatively.

Financials (Standalone)

(INR Crore)

For the year ended* / As On	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	72.12	54.31
EBITDA	4.32	3.93
PAT	0.44	0.19
Total Debt	15.59	13.57
Tangible Net worth	5.11	5.16
EBITDA Margin (%)	5.99	7.23
PAT Margin (%)	0.36	0.61
Overall Gearing Ratio (x)	2.99	1.08

* As per Infomerics Standard

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr . N o.	Name of Instrumen t/Facilitie s	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstandi ng (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 July 23, 2021	Date(s) & Rating(s) assigned in 2020-21 November 02, 2020	Date(s) & Rating(s) assigned in 2019-20 September 12, 2019
1.	Term Loan	Long Term	68.00	IVR BB+ ISSUER NOT COOPERATI NG *	IVR BBB/ Stable	IVR BB+ ISSUER NOT COOPERA TING	IVR BBB/ Stable

* Issuer did not cooperate based on best available information

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About Infomerics:

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.



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For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is were 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 (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	May, 2030	68.00	IVR BB+ ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: List of companies considered for consolidated analysis: Not Applicable

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