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Badwar Maouganj Road Project Private Limited

August 12, 2025

Rating

Security / Facility	Amount (Rs. crore)	Current Rating	Previous Rating	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	48.60	IVR BBB; Stable (IVR Triple B with Stable Outlook)	IVR BBB; Stable (IVR Triple B with Stable Outlook)	Rating Reaffirmed	Simple
Total	48.60 (Rupees forty-eight crore and sixty lakh only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The reaffirmation of rating assigned to the bank facilities of Badwar Maouganj Road Project Private Limited (BMRPPL) continues to derive strength from healthy financial risk profile and good resource raising ability of the sponsor ([Shreeji Infrastructure India Private Limited, SI IPL rated: IVR A-/ Stable; IVR A2+](#)) under experienced promoters & management team. SI IPL is undertaking civil construction work for BMRPPL and providing equity funding. The rating also continues to remain underpinned by robust sponsor support undertaking coupled with creation of DSRA (debt service reserve account) and Escrow account with a well-defined waterfall mechanism for repayment of debt obligations. Moreover, Infomerics ratings continues to take note of favourable clauses in concession agreement to address execution challenges and low counter-party credit risk. However, these rating strengths remain partially offset by exposure to project execution risk, susceptibility to Operation and Management (O&M) risk and exposure of project returns to inflation and interest rate risks. Moreover, the ratings also note delay in project execution due to challenges faced in the tunnel portion of the stretch and delay in approvals for change of scope from the authority. The Independent Engineer (IE) recommended 395 days of extension of time (EOT) for completing the project and the final approval from the authority is awaited.

The stable outlook reflects expected envisaged progress in the project underpinned by parent company's strong operating performance along with experienced management, track record, healthy financial profile and continuing support to its Special Purpose Vehicle's (SPV).



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Key Rating Sensitivities:

Upward Factors

- Timely completion of project and timely receipt of its first annuity
- Significant lower-than anticipated operating cost, resulting in improvement in DSCR levels
- Improvement in liquidity from current levels with sustained healthy balances in DSRA account

Downward Factors

- Substantial deduction in the semi-annual annuity amount or significant delay in receipt of annuity resulting in moderation in liquidity
- Weakening of DSCR on account of larger-than-anticipated increase in major maintenance cost

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters & management team along with long operational experience and good resource raising ability of the sponsor

BMRPPL was incorporated in March 2023 as a Special Purpose Vehicle (SPV) by Shreeji Infrastructure India Private Limited (SI IPL) holding ~100% stake in BMRPPL. The company's day-to-day operations are looked after by Mr. Anant Singh and Mr. Sanjay Singh, both are qualified graduate and possess experience of 20 years, along with a team of experienced professionals. Being incorporated in March 1999, SI IPL has an experience of more than two decades in the business of civil construction and is well established in the Madhya Pradesh market and has a healthy financial risk profile with a good resource raising ability.

Robust sponsor support undertaking coupled with creation of DSRA and Escrow account with a well-defined payment waterfall mechanism for repayment of debt

The sponsors shall provide support for any cost overrun and shortfall in receipt of annuities payments. It shall also cover for any major maintenance costs shortfall, and gaps in outstanding debt obligations in case of termination of the concession agreement. Furthermore, the sponsor undertaken for creation of a debt service reserve account (DSRA) 6 months after COD of the project equivalent to 6 months of interest and 1 principal instalment in respect of debt out of first two annuities in the form of fixed deposit in case of a shortfall to service debt repayment. Also, BMRPPL will have to open an escrow account through which cash flows in



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form of annuity from the authority is routed and used for payment of the term debt availed. It ensures the annuity receivables are escrowed to meet the principal payment and interest payments. Any deterioration in the sponsor's credit profile is a key rating monitorable.

Favourable clauses in concession agreement of HAM projects to address execution challenges

The inherent benefits of the HAM project include upfront availability of right of way (RoW), inflation-linked revisions to bid for project cost during the construction period and relatively low equity mobilisation risk with 60% of the project cost to be funded by the authority during the construction period in the form of a grant. The project will have a stable revenue stream post-commissioning as 40% of the remaining project cost will be paid out as annuity (adjusted for inflation) along with interest over the term of the concession by the project owner and annuity provider, Madhya Pradesh Road Development Corporation Limited (MPRDCL), a key State Government entity. Further, as the concessionaire does not bear any traffic risk, the project is insulated from any demand risk.

Reduction in project execution risk

The concession agreement between BMRPPL and MPRDCL was signed on March 14, 2022. The concession was granted to BMRPPL for 10 years (including construction period of 730 days) and based on semi-annual annuity payment. BMRPPL expected completion date is December 01, 2024. However, the company could not complete the project on time and applied for extension till December 31, 2025. BMRPPL currently has 100% ROW for the project. The bid project cost of the project is Rs.161.99 crore (adjusted for price index multiple). Out of which removing the profit margin, overall project cost is estimated at Rs.143.50 crore, through grant from MPRDCL of Rs.97.20 crore (60% of BPC), promoters' contribution of Rs.23.62 crore and debt of Rs.22.68 crore. The company has received sanction memorandum from Union Bank of India. BMRPPL obtained all the other approvals that are required for the project and expects to receive them disbursement as per drawdown schedule. BMRPPL has achieved its 4th Milestone by incurring total project cost of Rs.119.14 crore as on May 31, 2025 by way of promoter's contribution of Rs.21.84 crore, MPRDCL grant of Rs.76.90 crore, FDR Interest of Rs.0.05 crore and debt of Rs.20.35 crore. The physical progress is lower than envisaged due to challenges faced in the tunnel portion of the stretch and delay in approvals for change of scope from the authority. The Independent Engineer (IE) recommended 395 days of extension of time (EOT) for completing the project and the final approval from the authority is awaited. The company's ability to commission the project, in a timely manner and



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within the budgeted cost, would be important from the credit perspective. However, equity mobilisation risk is low in BMRPPL as majority of the equity is already infused and only Rs.1.79 crore worth of equity is yet to be infused.

Key Rating Weaknesses

Exposure to counterparty risk associated with MPRDCL

BMRPPL is a special-purpose vehicle (SPV) incorporated solely for the project of Rehabilitation and Up Gradation of Road Under Public Private Partnership In Madhya Pradesh Sector Project at Pkg. 11, Badwar – Tamra – Sitapu, Mauganj Road and Raipur Karchuliyani to Supiya – Bhaluha, Mahsaon Road Situated at Rewa (M.P.) under Hybrid Annuity Mode (HAM). It is an annuity-based project with semi-annual instalment payments from MPRDCL. The counterparty is dependent on annual budget provisions from the Government of Madhya Pradesh for receipt of funds. Although MPRDCL has demonstrated a track record of payment of annuities in the past, it is susceptible to risk of delays in payment from the state government and, consequently, delay in further release to BMRPPL.

Susceptibility to O&M risk

The company is exposed to O&M-related risks as inadequate maintenance could result in annuity deductions from the authority. If the road is not maintained as per the standards stipulated in the concession agreement, MPRDCL may not release the annuity or release only a part of the annuity until the deficiency is remedied, which could jeopardize BMRPPL's ability to service debt on time. However, routine O&M expenses and their low costs mitigate the risk over the medium term.

Project returns exposed to inflation and interest rate risks

BMRPPL's cash flows are exposed to interest rate risk, considering the floating nature of interest rates for the project loan. Further, there also exists inflation risk as O&M receipts, though linked to inflation index, may not be adequate to compensate for the actual increase in O&M/periodic maintenance expenses.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies.](#)

[Parent & group support](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)



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Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate

Liquidity is expected to be adequate post-completion as the project will receive semi-annual annuities (along with interest) from MPRDCL. Debt service coverage ratio is expected to be above unity throughout the tenure of debt. Repayment will begin seven months from COD, which provides additional cushion. Furthermore, DSRA equivalent to ensuing six months of interest and one principal instalment shall be maintained throughout the term loan tenor 6 months after COD of the project is achieved. Furthermore, support from the parent company SIPL is also expected to underpin the liquidity of BMRPPL.

About the Company

BMRPPL was incorporated in January 2022 as a Special Purpose Vehicle (SPV) by Shreeji Infrastructure India Private Limited formed for the Project of Rehabilitation and Up Gradation of Road Under Public Private Partnership In Madhya Pradesh Sector Project at Pkg. 11, Badwar – Tamra – Sitapu, Mauganj Road and Raipur Karchuliyan to Supiya – Bhaluha, Mahsaon Road Situated at Rewa (M.P.) under Hybrid Annuity Mode (HAM). Concession agreement between BMRPPL and Madhya Pradesh Road Development Corporation Limited - MPRDCL was signed on March 14, 2022. The concession was granted to BMRPPL for 10 years (including construction period of 730 days) and based on semi-annual annuity payment.

About the Parent

Incorporated in the year 1999, Shreeji Infrastructure India Private Limited (SIPL) is having presence in construction of roads, tunnels and dams. The company is also involved in the construction of basic infrastructure facilities for industrial area manufacturing and industrial units' residential dwellings & complexes, commercial complexes and engineering procurement and constructions (EPC) services in the country with the long portfolio of executing projects. At present the company is delivering custom-designed turnkey projects to government agencies, large corporations, and private bodies.

Financials of Badwar Mauganj Road Project Pvt Ltd (Standalone):

Not Applicable since it's a project stage company.

Financials of Sponsor (Shreeji Infrastructure India Private Limited) (Consolidated):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	593.08	953.01
EBITDA	48.45	84.73



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For the year ended/ As on*	31-03-2024	31-03-2025
PAT	4.44	35.16
Total Debt	241.02	216.02
Tangible Net Worth	174.94	221.12
EBITDA Margin (%)	8.17	8.89
PAT Margin (%)	0.74	3.67
Overall Gearing Ratio (x)	1.38	0.98
Interest Coverage (x)	1.97	4.27

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-2026)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					May 17, 2024	-	-
1.	Term Loan	Long Term	22.68	IVR BBB/Stable	IVR BBB/Stable	-	-
2.	Bank Guarantee	Long Term	25.92	IVR BBB/Stable	IVR BBB/Stable	-	-

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	March 2034	22.68	IVR BBB/ Stable
Bank Guarantee	-	-	-	-	25.92	IVR BBB/ Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-badwar-aug25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: 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.