



Press Release

Shreeji Raghogarh Nanasa Road Project Pvt Ltd

August 12, 2025

Rating

Security / Facility	Amount (Rs. crore)	Current Rating	Previous Rating	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	366.50	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Total	366.50 (Rupees three hundred and sixty-six crore and fifty lakhs 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 Shreeji Raghogarh Nanasa Road Project Pvt Ltd (SRNRPPL) derives strength from healthy financial risk profile and good resource raising ability of the sponsor ([Shreeji Infrastructure India Private Limited, SIPL rated: IVR A-/ Stable; IVR A2+](#)) under experienced promoters & management team. SIPL is undertaking civil construction work for SRNRPPL 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.

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).

Key Rating Sensitivities:

Upward Factors

- Timely completion of project and timely receipt of its first annuity



Press Release

- 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

SRNRPPL was incorporated in March 2023 as a Special Purpose Vehicle (SPV) by Shreeji Infrastructure India Private Limited (SI IPL) holding ~100% stake in SRNRPPL. 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.

Favourable clauses in concession agreement

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 40% 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 60% of the remaining project cost along with interest, from National Highway Authority of India (NHAI), which is a strong counterparty, provide comfort.

Low counter-party credit risk

NHAI functions as the nodal agency for development, maintenance and management of the national highways in the country. NHAI receives high level of support from Government of India (GoI) due to its strategic importance as the country's nodal agency for implementing 2



Press Release

various road sector projects including various phases of National Highways Development Programme (NHDP). By virtue of being a quasi-government body with an established & long track record, the counterparty risk on NHAI appears to be minimal.

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 i.e. after March 14, 2026, 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, SRNRPPL will have to open an escrow account through which cash flows in 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.

Key Rating Weaknesses

Project execution risk

The concession agreement between SRNRPPL and NHAI was signed on May 25, 2023. The concession was granted to SRNRPPL for 10 years (including construction period of 730 days) and based on semi-annual annuity payment. SRNRPPL construction work commenced from March 15, 2024 and expected completion date is March 14, 2026. SRNRPPL currently has 80% ROW for the project, and the balance will be made available by NHAI soon after disbursement of loan. The bid project cost of the project is Rs.799.20 crore (adjusted for price index multiple). The estimated cost of the project is Rs.879.58 crore which is to be funded through grant from NHAI of Rs.411.86 crore (40% of BPC) (including inflation as well as GST on Grant), promoters' contribution of Rs.101.22 crore and debt of Rs.366.50 crore. The project has commenced operation from March 15, 2024. SRNRPPL has achieved its 4th Milestone by incurring total project cost of Rs.301.36 crore as on May 07, 2025 by way of promoter's contribution of Rs.50.67 crore, NHAI grant of Rs.155.83 crore, mobilisation advance of Rs.42.56 crore and debt of Rs.52.30 crore. The company has received sanction memorandum



Press Release

from Canara Bank and Union Bank of India; SIPL obtained all the other approvals that are required for the project.

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, NHAI may not release the annuity or release only a part of the annuity until the deficiency is remedied, which could jeopardize SRNRPPL'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

SRNRPPL'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](#)

[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 NHAI. 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 Commercial Operation Date (COD) of the project is achieved (i.e., March 14, 2026). Furthermore, support from the parent company SIPL is also expected to underpin the liquidity of SRNRPPL.



Press Release

About the Company

Shree Raghogarh Nanasa Road Project Private Limited (SRNRPPL) was incorporated in March 2023 as a Special Purpose Vehicle (SPV) by Shreeji Infrastructure India Private Limited for the Project of development of Four laning of Raghogarh (Design Ch. 29+ 300/Existing Ch. 29+555) to Nanasa (Design Ch 92+971/Existing Ch. 95+000) Section of NH-47 (Old NH-59A) (Design Length 63.671 km) under Bharatmala Pariyojana Phase I (economic Corridor) in the state of Madhya Pradesh on Hybrid Annuity Mode (HAM). Concession agreement between SRNRPPL and NHAI was signed on May 25, 2023. The concession was granted to SRNRPPL for 10 years (including construction period of 730 days) and based on semi-annual annuity payment.

About the Parent

Incorporated in the year 1999, 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 Shree Raghogarh Nanasa Road Project Private Limited (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
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



Press Release

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	366.50	IVR BBB-; Stable	IVR BBB-; Stable	-	-

Analytical Contacts:

Name: Nidhi Sukhani	Name: Avik Podder
Tel: (033) 46022266	Tel: (033) 46022266
Email: nsukhani@infomerics.com	Email: apodder@infomerics.com

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.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please 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 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



Press Release

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: 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	-	-	-	Nov 2039	366.50	IVR BBB-; Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-shreeji-raghogarh-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.