

## Rating Rationale

### Brickwork Ratings reaffirms rating of 'BWR BB+' for Bank Loan facilities of ₹ 70 Cr to Aryavrat Tollways Private Limited.

Brickwork Ratings has reaffirmed the **Rating**<sup>1</sup> for Bank Loan facilities aggregating ₹ 70.00 Cr of Aryavrat Tollways Private Limited ("ATPL or the Company") sanctioned by consortium of State Bank of India, IIFCL and State Bank of Bikaner and Jaipur as:

Facility	Previous Limit(₹ Cr)	Present Limit(₹ Cr)	Tenure	Previous Rating	Present Rating
<b>Term Loan</b> Fund Based	65.75	<b>70.00</b>	<b>Long Term</b>	BWR BB+ (Pronounced BWR Double B Plus)  (Outlook: Stable)	<b>BWR BB+</b> (Pronounced BWR Double B Plus)  <b>(Outlook: Stable)</b>
<b>Bank Guarantee</b> Non-Fund Based	5.26	<b>Nil</b>			
<b>Total</b>	71.01	<b>70.00</b>	<b>(INR Seventy Crores Only)</b>		

**Note: SBBJ has been inducted as a 3<sup>rd</sup> lender.**

BWR has essentially relied upon the audited financials of FY14 and projected financials of from FY15 to FY29, present status of the project and toll collections of Aryavrat Tollways Private Limited, publicly available information/clarification provided by the Company's management.

The rating review factors in the progress of the project running ahead of the schedule, commissioning of toll plaza of 1st section Guna to Ashoknagar and commencement of toll collections thereof. However, the rating continues to be constrained on timely completion of the project, toll receivables as per the projections and completion of extra work under change of scope.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

---

## **Background**

M/s Aryavrat Tollways Private Limited was formed in October, 2012 in New Delhi as a special purpose vehicle (SPV) between M/s Aryavrat Projects Developers Pvt. Ltd (49%) and M/s Valecha Engineering Ltd (49%). It was formed to execute and develop Guna-Ashoknagar-Ishagarh road on Build, Operate and Transfer (BOT) on toll plus grant basis allotted by MPRDC. As per the concession agreement signed between MPRDC and ATPL on November 5, 2012, the concession period is 25 years (including construction period of 730 days) from the appointed date, i.e., August 30, 2013. Rs.21.02 Cr, out of the total grant of Rs.36.75 Cr, are proposed to be released during construction period and the balance Rs.15.73 Cr during the Toll collection period in equal disbursements spread over a period of 5 Years starting from COD. The project is taken up by the SPV with technical inputs from VEL and under management control of APDPL. Mr. Deepak Arora and Mr. Alok Arora are the directors of the Company. Mr. Rajesh Thakur is the nominee director of Valecha Engineering Ltd with a shareholding of 2% in the Company.

Guna-Ashoknagar-Ishagarh road lies in the Guna & Ashoknagar districts of Madhya Pradesh, having a total length of 76.15 km. The project was floated under Public Private Partnership scheme by MPRDC. Under this project, the existing carriageway is to be widened to two lane undivided carriageway width of 7m and with 2.5 m wide granular shoulder in rural and 1.5m paved shoulder in built-up area on either side of the project road. There are no complex structures in the entire stretch of the road. The project is taken up with a total cost of Rs.114.97 Cr and is being financed through term debt of Rs. 70.00 Cr, promoter contribution of Rs. 23.95 Cr and non-refundable grant from Central government of Rs.21.02 Cr. The SCOD of the project is August 29, 2015. However, the company expects the start of commercial operations from 2<sup>nd</sup> week of July onwards.

The Company, as on March 27, 2015, has brought in 100% of the promoter contribution into the project and Rs.65.34 Cr by the consortium. The Company has currently obtained all the major permissions required for the project.

## **Bank Facilities**

Aryavrat Tollways Private Limited has availed term loan of Rs. 70.00 Cr from consortium of State Bank of India, IIFCL and State Bank of Bikaner and Jaipur. SBBJ was inducted as 3<sup>rd</sup> lender in order to sanction the untied portion of Rs.4.25 Cr bought in as unsecured loans by the promoters. State Bank of India has also reversed the Bank Guarantee of Rs.5.26 Cr. Accordingly; gearing ratio has gone up from 1.36 times to 1.56 times.

### Financial Performance:

The toll plaza of 1<sup>st</sup> section Guna to Ashoknagar was commissioned on 24.12.2014. The Company has started toll collections from December 26, 2014 and has achieved toll income of Rs.88.41 lacs for the period 26 Dec 2014 to May 14, 2015 as against the projections of Rs.2.99 Cr for FY15. The Company also expects an increase in toll collections subsequently on completion of the project and commissioning of the second toll.

### Rating Outlook

The ability of the Company to complete the project within the envisaged cost & time, , achieve the projected toll revenues and maintain operational efficiencies would be the key rating sensitivities.

<b>Analyst Contact</b>	<b>Relationship Contact</b>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone</b>	<b>Media Contact</b>
<b>1-860-425-2742</b>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**Disclaimer:** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.