



## Rating Rationale

21 Oct 2019

### Megha Engineering & Infrastructures Limited

**Brickwork Ratings withdraws the ratings for the bank loan facilities of Rs. 5310.00 Crore of Megha Engineering & Infrastructures Limited ('MEIL' or 'the company')**

#### Particulars

Facilities	Amount (Rs. Crs)		Tenure	Ratings <sup>1</sup>	
	Previous	Present		Previous <sup>#</sup>	Present
<b>Fund Based</b> Cash Credit	165.00	165.00	Long Term	<b>BWR A/Stable</b>	<b>BWR A-/Stable ISSUER NOT COOPERATING* Withdrawn</b>
<b>Non Fund Based</b> Bank Guarantee Letter of Credit	4318.00 827.00	4318.00 827.00	Short Term	<b>BWR A1</b>	<b>BWR A2+ ISSUER NOT COOPERATING* Withdrawn</b>
<b>Total</b>	<b>5310.00</b>	<b>Rs. 5310.00 Crore (Rupees Five Thousand Three Hundred and Ten Crore Only)</b>			

\* Issuer did not cooperate; Based on the best available information ; # Ratings migrated to 'Rating Not Reviewed' category on 5<sup>th</sup> July 2017 ; 1 Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings  
Note: Details of Bank facilities are provided in Annexure I

#### Ratings Action

The ratings of the bank loan facilities of the company were due for a review in April 2017. As the company had cooperated in the surveillance exercise, the ratings were migrated to the 'Rating Not Reviewed' category in July 2017. Subsequently also, in the absence of information and cooperation from the company, Brickwork Ratings has been unable to conduct surveillance of the ratings. The company has requested for withdrawal of the ratings. Hence, in terms of BWR Rating Withdrawal Policy, based on the company's request and after issuing due notices of withdrawal to the company and the bankers, the ratings are withdrawn.

#### Analytical Approach and Applicable Rating Criteria

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

### About the company

Megha Engineering & Infrastructures Limited was incorporated in 2006 at Hyderabad, Telangana. The company is an established EPC contractor and executes turnkey infrastructure projects in irrigation, roads, power, drinking water supply, sewerage treatment, etc.

### Financial Performance

The company has not shared details of its financial/operating performance for the last three years.

### Rating History for the last three years

Sl. No.	Facilities	Current Rating (2019)			Rating History		
		Type	Amount (Rs. Cr)	Rating	2018	2017 [5 <sup>th</sup> July 2017]	2016 [7 <sup>th</sup> April 2016]
1	Cash credit	Long Term	165.00	<b>BWR A-/Stable/ ISSUER NOT COOPERATING* Withdrawn</b>	-	<b>BWR A/Stable Rating Not Reviewed</b>	<b>BWR A-/Stable</b>
2	Bank Guarantee	Short Term	4318.00	<b>BWR A2+ ISSUER NOT COOPERATING* Withdrawn</b>	-	<b>BWR A1 Rating Not Reviewed</b>	<b>BWR A2+</b>
3	Letter of Credit		827.00		-		
<b>Total</b>			<b>Rs. 5310.00 Crore (Rupees Five Thousand Three Hundred and Ten Crore Only)</b>				

1 Rated amount: Rs. 5310.00 crore

Note: BWR had initially rated by the bank loan facilities of the company amounting to Rs. 5310.00 crore at 'BWR A-/A2+' with 'Stable' outlook on 31<sup>st</sup> October 2014

### Complexity Levels of the Instruments:

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Short Term Debt](#)
- [What Constitutes Non-Cooperation](#)
- [Brickwork Rating Policy](#)

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## Megha Engineering & Infrastructures Limited

### Annexure I: Details of Bank Facilities rated

Bank (Consortium Banking)	Fund Based	Non Fund Based		Amount (Rs. Crs)
	Cash Credit	Bank Guarantee	Letter of Credit	
State Bank of India [Lead]	55.00	1500.00	550.00	2105.00
Andhra Bank	20.00	1030.00	250.00	1300.00
Indian Overseas Bank	10.00	500.00	(103.00)	510.00
Bank of India	20.00	300.00	(300.00)	320.00
Oriental Bank of Commerce	25.00	300.00	(40.00)	325.00
ICICI Bank	-	200.00	-	200.00
IDBI Bank	15.00	188.00	27.00	230.00
Axis Bank	-	100.00	-	100.00
Syndicate Bank	20.00	200.00	-	220.00
<b>Total</b>	<b>165.00</b>	<b>4318.00</b>	<b>827.00</b>	<b>5310.00</b>

*Note: Bank facilities are as per the details provided in April 2016*



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