

January 19, 2024

Madurai Tuticorin Expressways Limited: Continues to remain under Issuer Non-Cooperating Category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term- Fund-based term loan	433.26	433.26	[ICRA]D; ISSUER NOT COOPERATING; Rating Continues to remain under ISSUER NOT COOPERATING*;
Total	433.26	433.26	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-term and short-term ratings of **Madurai Tuticorin Expressways Limited** in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued on "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position and Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for BOT Toll Road Projects Policy on Default Recognition Policy in respect of Non-cooperation by a rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the rated entity.

About the company

MTEL is a special purpose vehicle (SPV) promoted by Madhucon Projects Limited, Madhucon Granites Ltd and SREI Infrastructure Finance. MTEL has been formed to improve and widen a 128.15 km stretch on National Highway (NH) -45B on BOT basis. The stretch extends between Km 138/800 and 264/500, connecting Madurai and Tuticorin in Tamil Nadu and is a key arterial route connecting Tuticorin to Madurai and the rest of India. The project has been awarded by the National Highways Authority of India (NHAI, rated [ICRA]AAA (Stable)) on a BOT (toll) basis, with a concession period of 20 years starting

July 2006. The scheduled commercial operations date (COD) of the project was January 2010. However, after a delay of more than 16 months, the tolling had started in July 2011. However, the concession agreement (CA) was terminated by the NHAI in March 2023 due to non-adherence to CA in respect of road maintenance, failure to complete punch-list items etc.

Key Financial Indicators (Audited)

	FY2021	FY2022
Operating income	82.03	99.68
PAT	-50.50	-71.15
OPBDIT/OI	-23.82%	-9.57%
PAT/OI	-61.56%	-71.37%
Total outside liabilities/Tangible net worth (times)	-4.24	-2.97
Total debt/OPBDIT (times)	-29.77	-44.26
Interest coverage (times)	-65.65	-3.77

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument		Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of March 31, 2023 (Rs. crore)	Date & Rating in		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					Jan 19, 2024	Aug 04, 2023	Nov 03, 2022	Aug 06, 2021	Jun 11, 2020
1	Term loan	Long-term	433.26	433.26	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA]D	[ICRA]D

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term - Fund based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan	December 2012	12.25%	March 2026	433.26	[ICRA]D; ISSUER NOT COOPERATING

Source: Company

Annexure-II: List of entities considered for consolidated analysis: Not applicable

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About ICRA Limited:

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