

Jharkhand Road Projects Implementation Company Limited (Revised)

October 20, 2022

Rating

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Non-Convertible Debentures	1,232.44 (Reduced from 1,275.51)	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Long-Term Instruments	1,232.44 (₹ One Thousand Two Hundred Thirty-Two Crore and Forty-Four Lakhs Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated April 04, 2019, placed the rating of Jharkhand Road Projects Implementation Company Limited (JRPICL) under the 'issuer non-cooperating' category as JRPICL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement.

JRPICL has not paid the surveillance fees for the rating exercise agreed in its Rating Agreement. It continues to be under "Issuer non-cooperating" category in line with CARE's extant policy in respect of non-cooperation by Issuer. CARE has reviewed the rating on the basis of the information as submitted by the Company.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating factors in stretched liquidity profile due to delay in receipt of annuities resulting in cashflow mismatch and thereby adversely impacting the debt servicing capability of the company.

Detailed description of the key rating drivers

At the time of last rating on October 25, 2021 the following were the rating strengths and weaknesses (updated for the information available from the Company):

Key Rating Weaknesses

Stretched liquidity profile

The company witnessed stretched liquidity due to non-receipt of annuities from The Govt. of Jharkhand. During the months of January 22 and March 2022, JRPICL received annuities amounting to Rs.440 crore with which annuity backlog for the period FY22 have been cleared whereas annuities for the period CY2021 and H1FY23 are pending receipt. The annuities have been utilized for meeting the debt servicing obligation due in H1FY23 and funding the maintenance expenses. However, the balance liquidity available with the company is inadequate to meet the ensuing debt servicing obligation.

Delay in Major Maintenance (MM) and exposure to O&M/MM risk

JRPICL has completed MM work on three stretches; while work on the remaining two stretches has been delayed on account of non-availability of funds. With receipt of annuity in January/March 2022, JRPICL has commenced major maintenance for one stretch and the successful completion of the entire MM due is dependent on receipt of annuities from the authority. Delay in MM activity may lead to levying of any damages in the form of reduced annuity from the Authority.

Analytical approach: Standalone

Applicable Criteria

¹Complete definition of the ratings assigned are available at HYPERLINK "<http://www.careedge.in>" www.careedge.in and other CARE Ratings Ltd.'s publications

[Policy in respect of Non-cooperation by issuer](#)
[Policy on default recognition](#)
[Financial Ratios – Non financial Sector](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Credit Watch](#)
[Annuity Road Projects](#)
[Infrastructure Sector Ratings](#)

About the Company

The Government of Jharkhand (GoJ) has conceptualized a comprehensive programme titled the Jharkhand Accelerated Road Development Programme (JARDP) to improve road infrastructure in the state through Public Private Partnership framework. IL&FS won the bid and a Programme Development Agreement (PDA) was signed between GoJ and IL&FS Group for the improvement of 1500 km lane of selected project road corridors. Certain road stretches had been selected for development under this programme. The programme was being implemented under an SPV named Jharkhand Accelerated Road Development Company Limited (JARDCL), a JV between IL&FS group and GoJ with shareholding pattern in ratio of 74:26 respectively. In terms of the PDA, the GoJ and IL&FS group may take up the financing, construction, operation and maintenance of the roads either through JARDCL or through separate SPV's incorporated by GoJ and/or IL&FS. Accordingly, IL&FS group incorporated JRPICL for undertaking the design, engineering, financing, procurement, construction, operation and maintenance of the programme, on Build, Operate & Transfer (BOT) Annuity Basis. The promoters of JRPICL are ITNL (93.43%) and IL&FS (6.57%). Separate Concession Agreements (CAs) have been signed between the GoJ (annuity provider), JARDCL (JV partner of GoJ for road development) and JRPICL (as concessionaire) for implementation of the projects in phases. JRPICL has implemented five different stretches of roads under JARDP. All the projects are implemented in one balance-sheet though they have separate escrow arrangement and concession agreement for individual project lenders.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23
Total operating income	303.36	340.91	NA
PBILDT	203.92	97.19	NA
PAT	42.19	-77.11	NA
Overall gearing (times)	-16.03	-9.61	NA
Interest coverage (times)	1.23	0.56	NA

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
NCD	INE746N07929	05-May-2017	8.40	22-01-2029	6.84	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07945	05-May-2017	8.40	22-01-2029	6.38	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07960	05-May-2017	8.40	22-01-2029	7.38	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07994	05-May-2017	8.40	22-01-2029	7.28	CARE D; ISSUER NOT COOPERATING*

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
NCD	INE746N07AA0	05-May-2017	8.40	20-01-2029	7.11	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07AB8	05-May-2017	8.40	20-01-2029	6.99	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07242	05-May-2017	8.40	20-10-2022	8.12	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07259	05-May-2017	8.40	20-01-2023	8.71	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07267	05-May-2017	8.40	20-04-2023	8.36	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07275	05-May-2017	8.40	20-07-2023	8.11	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07283	05-May-2017	8.40	20-10-2023	7.58	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07291	05-May-2017	8.40	20-01-2024	7.65	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07309	05-May-2017	8.40	20-04-2024	7.69	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07317	05-May-2017	8.40	20-07-2024	6.95	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07325	05-May-2017	8.40	20-10-2024	6.37	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07333	05-May-2017	8.40	20-01-2025	7.48	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07341	05-May-2017	8.40	20-04-2025	7.68	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07358	05-May-2017	8.40	20-07-2025	8.16	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07366	05-May-2017	8.40	20-10-2025	7.34	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07374	05-May-2017	8.40	20-01-2026	7.97	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07382	05-May-2017	8.40	20-04-2026	5.06	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07390	05-May-2017	8.40	20-07-2026	9.86	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07408	05-May-2017	8.40	20-10-2026	9.72	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07416	05-May-2017	8.40	20-01-2027	9.5	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07424	05-May-2017	8.40	20-07-2027	10.57	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07432	05-May-2017	8.40	20-01-2028	11.52	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07440	05-May-2017	8.40	20-07-2028	11.52	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07457	05-May-2017	8.40	20-01-2029	6.89	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07937	05-May-2017	8.40	22-01-2029	19.61	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07952	05-May-2017	8.40	22-01-2029	18.31	CARE D; ISSUER NOT COOPERATING*

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
NCD	INE746N07978	05-May-2017	8.40	22-01-2029	21.19	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07986	05-May-2017	8.40	22-01-2029	20.89	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07AC6	05-May-2017	8.40	20-01-2029	20.4	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07AD4	05-May-2017	8.40	20-01-2029	20.05	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07663	05-May-2017	8.40	20-10-2022	23.29	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07671	05-May-2017	8.40	20-01-2023	24.97	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07689	05-May-2017	8.40	20-04-2023	23.98	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07697	05-May-2017	8.40	20-07-2023	23.24	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07705	05-May-2017	8.40	20-10-2023	21.74	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07713	05-May-2017	8.40	20-01-2024	21.94	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07721	05-May-2017	8.40	20-04-2024	22.03	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07739	05-May-2017	8.40	20-07-2024	19.91	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07747	05-May-2017	8.40	20-10-2024	18.27	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07754	05-May-2017	8.40	20-01-2025	21.44	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07762	05-May-2017	8.40	20-04-2025	22.02	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07770	05-May-2017	8.40	20-07-2025	23.42	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07788	05-May-2017	8.40	20-10-2025	21.06	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07796	05-May-2017	8.40	20-01-2026	22.85	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07804	05-May-2017	8.40	20-04-2026	14.51	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07812	05-May-2017	8.40	20-07-2026	28.29	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07820	05-May-2017	8.40	20-10-2026	27.87	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07838	05-May-2017	8.40	20-01-2027	27.26	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07846	05-May-2017	8.40	20-07-2027	30.34	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07853	05-May-2017	8.40	20-01-2028	33.04	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07861	05-May-2017	8.40	20-07-2028	33.04	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07879	05-May-2017	8.40	20-01-2029	19.71	CARE D; ISSUER NOT COOPERATING*

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
NCD	INE746N07010	05-May-2017	8.40	20-07-2027	93.86	CARE D; ISSUER NOT COOPERATING*
NCD	INE746N07028	05-May-2017	8.40	20-07-2027	269.12	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Debentures-Non Convertible Debentures	LT	1232.44	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (25-Oct-21)	1)CARE D; ISSUER NOT COOPERATING* (27-Oct-20) 2)CARE C; ISSUER NOT COOPERATING* (30-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (04-Apr-19)

*Long Term

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: NA

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

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About CARE Ratings Limited:

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