

Jorabat Shillong Expressway Limited

May 31, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Senior Non-Convertible Debentures (NCDs)	592.42	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Subordinate Non-Convertible Debentures (NCDs)	223.73	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Long Term Instruments	816.15 (Rs. Eight Hundred Sixteen Crore and Fifteen Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated April 04, 2019, placed the ratings of Jorabat Shillong Expressway Ltd. (JSEL) under the 'issuer non-cooperating' category as JSEL had failed to provide information for monitoring of the rating for the rating exercise as agreed to in its Rating Agreement. JSEL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls including emails dated April 24, 2022, May 04, 2022 and May 14, 2022. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

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

Detailed description of the key rating drivers

At the time of last rating on June 08, 2021 the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies and National Stock Exchange):

Key Rating Weaknesses

Default in debt servicing obligation despite the existence of ring-fenced structured payment mechanism: JSEL has defaulted on its debt obligation despite the existence of a ring-fenced structured payment mechanism (SPM); this indicates management's stance of making the payments only to operational creditors to remain a going concern and not making payments to senior secured financial creditors. As per interactions with Debenture Trustee in May 2022 and publication on the National Stock Exchange (NSE) dated March 01, 2022, JSEL continues to default its repayment obligations.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning 'outlook' and 'credit watch' to credit ratings](#)

[Financial Ratios – Non financial Sector](#)

[Rating Methodology-Infrastructure Sector](#)

About the Company

Incorporated in June 2010, Jorabat Shillong Expressway Ltd. (JSEL) is a Special Purpose Vehicle (SPV) which initially was sponsored by IL&FS Transportation Networks Limited (ITNL; CARE D; Issuer Not Cooperating) and Ramky Infrastructure Limited in the ratio of 50:50 shareholdings. Later in August 2018, ITNL purchased entire state from Ramky Infrastructure Limited and JSEL became 100% subsidiary of ITNL. JSEL has been awarded a concession by National Highway Authority of India (NHAI) for four-laning of the Jorabat Shillong (Barapani) section of National Highway – 40 in the states of Assam and Meghalaya. The project highway is an existing road from Jorabat to Barapani starting at km 0.00 and ending at km 61.80 (approx. 61.92km about 247.68 lane kms). The project highway traverses through Meghalaya linking some of the most backward regions of the state and connecting Meghalaya to Assam. NH-40 is the main artery connecting Shillong, the capital of Meghalaya and the States of Mizoram and Tripura with Guwahati, the gateway to the North East of India. The appointed date

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

*Issuer did not cooperate; Based on best available information

for the project was January 12, 2011 with a 3 year construction period and 17 years of operations period during which NHAI would pay 34 semi-annuities to JSEL. The scheduled COD for the project was January 12, 2014, however there was 2-year delay in project implementation due to delay in handing over the land of around 8 km for the project and bypass land of around 5 km by the Authority to the Concessionaire. Company has represented with NHAI for recognition of delay and payment of compensation, the matter is currently under arbitration. The project achieved provisional COD on January 28, 2016.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (Published)
Total operating income	111.34	95.23	75.45
PBILDT	88.80	76.45	(27.99)
PAT	88.73	96.60	(28.01)
Overall gearing (times)	NM	NM	NA
Interest coverage (times)	NM	NM	NM

A: Audited; NM: Not Meaningful; NA: Not Available

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 (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE944Y07018, INE944Y07026, INE944Y07034, INE944Y07042, INE944Y07059, INE944Y07067, INE944Y07075, INE944Y07083, INE944Y07091, INE944Y07109, INE944Y07117, INE944Y07125	December 28, 2017	8.30	31-01-2030	592.42	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE944Y07133, INE944Y07141, INE944Y07158, INE944Y07166, INE944Y07174, INE944Y07182, INE944Y07190, INE944Y07208, INE944Y07216, INE944Y07224, INE944Y07232, INE944Y07240	December 28, 2017	8.45%	31-01-2030	223.73	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 (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Debentures-Non Convertible Debentures	LT	592.42	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (08-Jun-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (04-Apr-19)
2	Debentures-Non Convertible Debentures	LT	223.73	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (08-Jun-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (04-Apr-19)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Debentures-Non Convertible Debentures	Simple

Annexure 5: Bank Lender Details for this Company

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

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.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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