

July 18, 2025

Brij Bhoomi Expressway Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term Loan	38.37	24.82	[ICRA]BBB-(Stable); reaffirmed
Total	38.37	24.82	

*Instrument details are provided in Annexure-I

Rationale

The rating reaffirmation for Brij Bhoomi Expressway Private Limited (BBEPL) factors in its long operational track record of more than nine years and strong parentage by being a wholly-owned subsidiary of Kalpataru Projects International Limited (KPIL, erstwhile Kalpataru Power Transmission Limited), which has significant experience in infrastructure business. The rating factors in the stated intent and demonstrated track record of timely financial support from KPIL. KPIL has infused Rs. 48.7 crore over and above the original equity requirement, for ensuring timely debt service obligations and funding towards major maintenance (MM). Going forward, timely financial and operational support from the sponsor group remain crucial for the SPV to meet its committed obligations.

The rating, however, remains constrained by the weak coverage metrics, thereby necessitating dependence on the sponsor. The project stretch witnessed thin traffic volumes (modest 6-year CAGR of 0.2%) with traffic majorly limited to inter-city traffic and passenger traffic, which led to subdued coverage metrics. The project's cash flows are exposed to interest rate risk, considering the floating nature of interest rate on the project loan. The rating is also constrained by a weak debt structure, in absence of debt service reserve account (DSRA) and MM reserve. As per the Concession Agreement (CA), there is no pre-defined MM schedule, though the special purpose vehicle (SPV) has to maintain the project in line with the quality standards specified in the CA. At present, BBEPL is conducting MM activity for the project with a planned outflow of ~Rs. 7 crore in FY2026. ICRA notes that though the cash flows from operations are expected to be adequate to cover operational expenses and debt obligations, timely funding support by the promoter to undertake MM expenditure will remain critical to bridge the funding gap.

ICRA notes that the company has settled disputed claims against NHAI under Vivaad Se Vishwas Scheme II, and a final payout of Rs. 31.1 crore was received in FY2024. The same has been passed on to JMC Projects (India) Ltd [now merged with KPIL]. ICRA notes that the company has received a notice from NHAI, towards inadequate maintenance of the project stretch. While the company has disputed the notice, any unfavourable outcome against BBEPL leading to a significant outflow would be a credit negative. The present CA is expected to end in October 2027 and BBEPL's loan will be repaid by March 2026. However, ICRA understands from the management that while the company has an option to extend the concession period given the lower-than-expected traffic, company will decide on the same in the near future.

The Stable outlook factors in the expectation that the operational cash flows are likely to be adequate to meet the operational expenses and expectation of timely financial support from a strong promoter group, in cash of any shortfalls as witnessed in the past.

Key Rating drivers and their description

Credit strengths

Tolling track record of more than nine years – The project stretch has a tolling track record of more than nine years. The project (Agra-Aligarh highway) witnessed thin traffic volumes (modest 6-year CAGR of 0.2%) with traffic majorly limited to inter-city traffic and passenger traffic on account of subdued economic activity in the region.

Strong parentage; track record of timely financial support – BBEPL is a wholly-owned subsidiary of KPIL, which has a significant experience in infrastructure business. ICRA takes comfort from the stated intent and demonstrated track record of timely financial support from KPIL. KPIL has infused Rs. 48.7 crore over and above the original equity requirement for ensuring timely debt service obligations and funding towards MM. Going forward, timely financial and operational support from the sponsor group remain crucial for the SPV to meet its committed obligations.

Credit challenges

Weak coverage metrics and absence of DSRA and MM reserves; project cashflows exposed to interest rate risk – Lower-than-anticipated toll collections in the past resulted in weak coverage metrics, thus necessitating dependence on the sponsor. ICRA notes the absence of DSRA and MM reserve for the project. At present, BBEPL is conducting MM activity for the project with a planned outflow of ~Rs. 7 crore in FY2026. Though the cash flows from operations are expected to be adequate to cover operational expenses and debt obligations, timely funding support by the promoter to undertake MM expenditure will remain critical to bridge the funding gap. BBEPL's cash flows are also exposed to interest rate risk as the interest rate is variable and is subject to annual reset. ICRA notes that the company received notice from NHA towards inadequate maintenance of the project stretch. While it has disputed the notice, any unfavourable outcome against BBEPL leading to a significant outflow would be a credit negative and remain a rating monitorable.

Project exposed to risks inherent in BOT (toll) road projects – Notwithstanding the track record of toll collections, the project remains exposed to risks inherent in build-operate-transfer (BOT - toll) road projects, including risks arising from political acceptability of rate hikes linked to WPI over the concession period and development/improvement of alternative routes.

Liquidity position: Stretched

The company's liquidity position is stretched, as operational cash flows will be inadequate to take care of the ongoing MM activity, necessitating dependence on its sponsor for financial support in the interim. ICRA, however, notes BBEPL having free cash balance of Rs. 6.4 crore as on March 31, 2025 and the stated intent with demonstrated track record of timely financial support from KPIL, to support BBEPL's liquidity for MM expenditure and in case of exigencies.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if any substantial improvement in toll collection results in significant improvement in coverage indicators and liquidity, along with creation of requisite major maintenance reserve and DSRA.

Negative factors – Weakening in linkages with the parent entity or lack of timely financial support from the promoter group, or substantial weakening in credit profile of the parent entity, could result in a downgrade. Pressure on the rating could also emerge if toll collection is lower than expected, on a sustained basis, and/or if there are slippages in regular O&M and major maintenance activity, thereby resulting in penalties from the authority.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Roads - BOT Toll
Parent/Group support	Parent/Group Company: Kalpataru Projects International Limited (erstwhile Kalpataru Power Transmission Limited) The rating factors in the likelihood of BBEPL's parent, KPIL, extending financial support to it as has been seen in the past. ICRA expects KPIL to be willing to extend financial support to BBEPL out of its need to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	Standalone

About the company

Incorporated in December 2010, Brij Bhoomi Expressway Private Limited (BBEPL) is a special purpose vehicle (SPV) promoted by JMC Projects (India) Limited to undertake the execution, operations and maintenance of the two-laned 81.4 km stretch of Agra-Aligarh section on NH-93 on a BOT (Toll) basis in Uttar Pradesh. The project was awarded by NHAI based on competitive bidding in 2010, on a BOT basis, with a concession period of 15 years commencing from October 09, 2012 to October 08, 2027 including the construction period. The road stretch received provisional COD on May 02, 2014 and the final COD was received on December 29, 2015.

Key financial indicators (audited)

BBEPL – Standalone	FY2024	FY2025
Operating income (Rs. crore)	69.2	41.0
PAT (Rs. crore)	18.7	0.4
OPBDIT/OI (%)	44.6%	72.6%
PAT/OI (%)	27.0%	0.9%
Total outside liabilities/Tangible net worth (times)	-50.5	33.6
Total debt/OPBDIT (times)	3.1	2.8
Interest coverage (times)	3.6	4.6

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation, Note: All financial ratios as per ICRA's calculation
Note: The company follows IndAS and the key financial ratios are not representative of actual cash flows

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current year (FY2026)		Chronology of rating history for the past 3 years						
		Amount Rated (Rs. crore)	FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	24.82	Jul 18, 2025	[ICRA]BBB- (Stable)	May 08, 2024	[ICRA]BBB- (Stable)	May 22, 2023	[ICRA]BBB- (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund-based limits – 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 are 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	FY2013	NA	FY2026	24.82	[ICRA]BBB- (Stable)

Source: Company

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

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Suprio Banerjee
+91 22 6114 3443
supriob@icraindia.com

Rohit Agarwal
+91 22 6169 3329
rohit.agarwal@icraindia.com

Shanttanu Phulzade
+91 20 6606 9910
shanttanu.phulzade@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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