

July 23, 2025

Warora Chandrapur Ballarpur Toll Road Limited: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	225.00	350.00	[ICRA]A(Stable); reaffirmed and assigned for enhanced amount
Total	225.00	350.00	

*Instrument details are provided in Annexure

Rationale

The rating reaffirmation for Warora Chandrapur Ballarpur Toll Road Limited (WCBTRL) reflects the healthy growth in toll collections on its project stretch, resulting in an improvement in coverage metrics with cumulative debt service coverage ratio (DSCR) of over 2.0 times during the residual loan tenure. The toll collections increased by 3% to Rs. 78.9 crore in FY2025, driven by growth in traffic volumes stemming from the heightened industrial activity in the Chandrapur district of Maharashtra, notably due to a surge in regional mining operations, leading to better traffic, thereby offering revenue visibility. The rating factors in WCBTRL's operational track record of more than nine years and pre-defined toll rates, which are subject to revision every three years. ICRA notes the presence of structural features such as a funded debt service reserve account (DSRA), equivalent to six months of interest and principal obligation, an O&M reserve equivalent to 3 months of operational expenses and a well-defined escrow mechanism. The company is also required to create a major maintenance (MM) reserve from FY2028, which will further strengthen its financial discipline over the long term.

The rating is, however, constrained by the risks inherent in build-operate-transfer (BOT) toll road projects, including the risk of reduction in traffic through development/improvement of alternative routes or alternate modes and willingness of the users to pay toll. While the traffic growth is expected to be nominal, any decline in traffic having a material impact on the overall toll collection and coverage metrics shall be a credit negative. The company derives revenues from a single stretch in Maharashtra and is exposed to asset concentration risk. Its cash flows are vulnerable to interest rate risk, considering the floating nature of interest rate on the project loan. Further, the absence of a fixed-price operations and maintenance (O&M) contract exposes its cash flows to volatility in routine and MM expenses. Hence, its ability to manage routine and periodic maintenance expenses, within the budgeted levels, remains critical from the credit perspective. WCBTRL received ~Rs. 168 crore of award in FY2023/2024 against claims pertaining to cost overrun due to delays in handover of project site. The same has been passed on to the EPC contractor. However, these awards are currently challenged by the authority in district court. Any unfavourable outcome against WCBTRL leading to a significant outflow could impact the company's liquidity and credit metrics.

The Stable outlook on the rating reflects ICRA's opinion that WCBTRL would continue to benefit from the long operational track record and will sustain its comfortable coverage metrics.

Key rating drivers and their description

Credit strengths

Long operational track record of 9+ years – WCBTRL has a toll collection track record of over nine years. The toll collections increased by 3% to Rs. 78.9 crore, driven by rise in traffic volumes stemming from the heightened industrial activity in the Chandrapur district of Maharashtra, notably due to a surge in regional mining operations. It has pre-defined toll rates, which

are subject to revision every three years. The toll revenue is primarily dependent on multi-axle vehicles, as LMVs and state buses are exempt.

Comfortable coverage metrics – The project has a comfortable estimated cash cover providing sufficient cushion against any potential shocks in case of lower-than-anticipated traffic growth, thereby strengthening its coverage metrics. The arbitration claims and EPC contractors' claims of ~Rs. 168 crore received in FY2023/FY2024 are challenged by the authority in district court. Any unfavourable outcome against WCBTRL leading to significant outflow could impact the company's liquidity and credit metrics.

Presence of structural features – The rating is supported by the presence of structural features such as a funded DSRA, equivalent to six months of interest and principal obligation, maintained in the form of a fixed deposit of Rs. 10.1 crore as on March 31, 2025, an O&M reserve equivalent to 3 months of operational expenses, amounting Rs. 2.8 crore, along with a well-defined escrow mechanism. The company is required to create a MM reserve from FY2028, which will further strengthen its financial discipline over the long term.

Credit challenges

Risk inherent in toll road projects – The project faces risks inherent in build-operate-transfer (BOT) toll road projects including the risk of reduction in traffic through development/improvement of alternative routes or alternate modes and willingness of the users to pay toll. While traffic growth is expected to be nominal, any decline in traffic having a material impact on the overall toll collection and coverage metrics shall be a credit negative. The company derives its revenues from a single stretch in Maharashtra and thus faces high asset concentration risk as a single-asset special purpose vehicle (SPV). Its cash flows are also exposed to interest rate risk, considering the floating nature of interest rate on the project loan.

Ensuring O&M and MM expenses within budgeted levels – The first MM cycle has started and is expected to be completed in FY2026. The absence of a fixed-price O&M contract exposes WCBTRL's cash flows to volatility in routine and MM expenses. Hence, its ability to manage the routine and periodic maintenance expenses, within the budgeted levels, remains critical from the credit perspective.

Liquidity position: Adequate

The company's liquidity position is adequate, with unencumbered cash balances worth Rs. 3.2 crore as on March 31, 2025. Further, WCBTRL has a DSRA, equivalent to six months of interest and principal obligation, in the form of a fixed deposit of Rs. 10.1 crore and an O&M reserve equivalent to 3 months of operational expenses, amounting Rs. 2.8 crore. It has a scheduled principal and interest obligation of ~Rs. 36 crore in FY2026, which can be comfortably serviced through its estimated cash flow from operations.

Rating sensitivities

Positive factors – ICRA may upgrade the company's rating in case of significant improvement in toll collection resulting in improved coverage metrics while maintaining adequate liquidity position, on a sustained basis.

Negative factors – Pressure on WCBTRL's rating could arise if lower-than-anticipated traffic growth or higher-than-expected operations and maintenance (O&M) expenses result in weakening of coverage metrics. Any additional indebtedness, which could materially impact coverage metrics or non-adherence to the debt structure, could result in a rating downgrade. Moreover, crystallisation of any contingent liability leading to a weakened liquidity position could lead to a negative rating action. Specific credit metric of cumulative DSCR below 1.60 times will trigger a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for BOT (Toll) Roads
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

WCBTRL is an SPV incorporated for four-laning of the 63.6 km stretch between Warora and Ballarpur, in Maharashtra, for the Public Works Department (PWD), GoM, on Design-Build-Finance-Operate-Transfer (DBFOT) basis. The CA between WCBTRL and PWD, GoM was signed in March 2010. As per the CA, the company is entitled to collect toll from users of the project road. The concession is valid for a period of 30 years from the appointed date (January 3, 2011). The scheduled commercial operation date (SCOD) for the project was January 02, 2014. However, due to delay in handover of the project and grant of right of way (RoW), the company achieved PCOD on August 18, 2014. The toll collection started from December 26, 2014, post toll notification by PWD, GoM.

The company was earlier promoted by VIL (55% shareholding), IL&FS Transportation Networks Limited (ITNL, 35%) and Diva Media Private Limited (10%). However, in February 2022, VIL bought the entire stake of ITNL in the project.

Key financial indicators (audited)

WCBTRL (Standalone)	FY2024	FY2025*
Operating income (Rs. crore)	86.2	89.6
PAT (Rs. crore)	14.2	26.0
OPBDIT/OI (%)	59.6%	69.8%
PAT/OI (%)	16.5%	29.1%
Total outside liabilities/Tangible net worth (times)	1.2	1.4
Total debt/OPBDIT (times)	3.4	4.4
Interest coverage (times)	2.9	3.6

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; *provisional

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	Current (FY2026)					Chronology of rating history for the past 3 years					
	FY2026					FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Jul 23, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	350.00	[ICRA]A (Stable)	June 27, 2025	[ICRA]A (Stable)	-	-	March 21, 2024	[ICRA]A- (Stable)	-	-
Term loan	Long term	-	-			-	-	March 21, 2024	[ICRA]BBB- (Stable); Withdrawn		
			-			-	-	Oct 30, 2023	[ICRA]BBB- (Stable)	Jul 22, 2022	[ICRA]BBB- (Stable)

Complexity level of the rated instruments

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 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	FY2024	NA	FY2039	225.00	[ICRA]A (Stable)
NA	Term loan	FY2025	NA	FY2037	125.00	[ICRA]A (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Rohit Agarwal

+91 22 6169 3329

rohit.agarwal@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.