September 30, 2025

Shree Jagannath Expressways 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	988.1	988.1	[ICRA]AA (Stable), reaffirmed
Total	**988.1**	**988.1**	

**Instrument details are provided in Annexure I*

Rationale

The reaffirmation of the long-term rating of Shree Jagannath Expressways Private Limited (SJEPL) draws comfort from the favourable location and operational nature of the road asset, which has a tolling track record of more than twelve years. The project stretch is part of the Chennai-Kolkata corridor (part of the Golden Quadrilateral - NH-16) with high commercial traffic movement. The rating draws support from the structural features - debt service reserve account (DSRA) equivalent to the ensuing three months of debt obligations, major maintenance reserve account (MMRA), escrow mechanism, and cash flow waterfall - along with the flexibility arising from the four-year tail period. The rating also draws strength from the strong linkages and strategic importance for Maple Infrastructure Trust (MIT, rated [ICRA]AAA (Stable)), which is an infrastructure investment trust (InvIT) sponsored by Maple Highways Pte Ltd, an affiliate of Caisse de depot et placement du Quebec (CDPQ, rated by Moody's Investors Service at Aaa, Stable), to house operational road assets in India. Toll collections in FY2025 grew moderately by 1.97% year-on-year (YoY) to Rs. 237.3 crore, driven by a toll rate increase of 3.3%, and traffic growth of 0.7%. The latter was due to a decline in commercial vehicle traffic on the project during the second half of the fiscal, majorly due to arising from reduced iron ore exports from Paradip Port and the reversal of mining bids due to policy related changes. However, the impact of these developments is expected to be temporary. The decline in revenues from lower commercial traffic volumes in FY2025 was offset by healthy growth in passenger traffic driven by improved economic activity and an increase in tourism-related travel in Odisha. The rating takes comfort from the healthy projected cash cover, with a cumulative debt service coverage ratio (DSCR) of above 1.7 times as per ICRA's base case estimates, supported by healthy toll collections and long debt tenure.

The rating, however, remains constrained by the project's exposure to risks inherent in toll road projects, including the development or improvement of alternative routes, moderation in traffic growth rates, or lower-than-anticipated wholesale price index (WPI) leading to reduced toll collections, which could weaken its coverage metrics. ICRA estimates that toll revenues will continue to increase in the medium term, with expected growth of 6-8% in FY2026. The project stretch has historically witnessed cyclicality in traffic, as a considerable share of commercial traffic is attributable to activities at Paradip Port and to the performance of the mining and steel sectors. However, the strong coverage metrics are likely to provide sufficient cushion in case of significant variations in traffic. The rating is also exposed to alternate route risks due to the presence of other routes, though this is mitigated due to these routes being unsuitable for commercial traffic. SJEPL's cash flows also remain exposed to interest rate risk, considering the floating interest rates on the project loan. It derives its revenues from a single stretch in Odisha and is, therefore, exposed to high asset concentration risk.

SJEPL completed its first major maintenance in FY2025 at a cost of Rs. 146.5 crore for the main carriageway. It has appointed ELSAMEX Maintenance Services Limited as an operations and maintenance (O&M) contractor for routine maintenance. In the absence of a pre-defined MM schedule in the concession agreement, periodic major maintenance is undertaken on a need basis, which may result in volatility in operating expenses. Undertaking routine and periodic maintenance within budgeted costs will remain important. In this regard, ICRA derives comfort from the projected strong cash flows and adequate cost estimates for undertaking O&M and MM expenditure.

The Stable outlook reflects ICRA's expectation that SJEPL's credit profile will continue to benefit from the importance of the project stretch, leading to healthy traffic growth, strong coverage metrics, and a high likelihood of financial support from MIT.

Key rating drivers and their description

Credit strengths

Long operational track record and favourable location - The rating draws comfort from the operational nature of the project with a tolling track record of more than twelve years and the importance of the project stretch as a part of the Chennai-Kolkata corridor (part of the Golden Quadrilateral - NH-16) with high commercial traffic movement. It passes through the urban settlements of Bhubaneswar and Cuttack, two of the largest economic centres in Odisha. The stretch connects the steel and mining belt of Angul, Sambalpur and Dhenkanal to the Paradip Port, a major driver for commercial traffic. The Kalinganagar industrial area and Paradip refinery are the other important growth drivers for the stretch.

Healthy debt service cover, presence of tail period and strong parentage - The rating factors in SJEPL's healthy projected debt service cover with a cumulative DSCR of above 1.7 times as per ICRA's base case estimates, supported by healthy toll collections and long debt tenure, along with the flexibility arising out of the four-year tail period. The rating draws strength from the strong linkages and strategic importance for MIT (rated [ICRA]AAA (Stable)), which is an infrastructure investment trust (InvIT) sponsored by Maple Highways Pte Ltd, an affiliate of CDPQ (rated by Moody's Investors Service at Aaa, Stable), to house operational road assets in India.

Presence of structural features - Structural features such as DSRA equivalent to ensuing three months of debt service obligation and a well-defined escrow mechanism provide credit support to the term loan. Further, it maintains a major maintenance reserve account.

Credit challenges

Project exposed to risks inherent in BOT (toll) road projects, including interest rate and asset concentration risk - Despite the importance of the project stretch, low alternative route risk and willingness of the users to pay toll, the project remains exposed to risks inherent in toll road projects, including risks of development/improvement of alternative routes, moderation in traffic growth rates, or lower-than-anticipated WPI leading to lower toll collections, which could weaken its coverage metrics. The project stretch witnessed cyclicality in traffic in the past as a considerable share of commercial traffic is attributable to activities at Paradip Port and to the performance of the mining and steel sectors. However, the strong coverage metrics are expected to provide sufficient cushion in case of wide variation in traffic. The rating is exposed to the alternative route risk, providing direct connectivity from Cuttack to Paradip Port. The present condition of the alternate stretch is not suitable for heavy commercial traffic (as the same passes through urban settlements and is a two-lane road) and is not a threat. However, upgradation of the same in the future could have a bearing on toll collection on the project stretch. SJEPL's cash flows are also exposed to interest rate risk, considering the floating interest rates on the project loan. It derives its revenues from a single stretch in Odisha and is, therefore, exposed to high asset concentration risk.

Ensuring regular and periodic maintenance expenditure within budgeted levels - SJEPL completed its first major maintenance in FY2025 at a cost of Rs. 146.5 crore for the main carriageway. It has appointed ELSAMEX Maintenance Services Limited as an operations and maintenance (O&M) contractor for routine maintenance. In the absence of a pre-defined MM schedule in the concession agreement, periodic MM is required on a need basis, which may result in operating expense volatility. Undertaking routine and periodic maintenance within the budgeted costs would remain important. In this regard, ICRA has taken comfort from the projected strong cash flows and adequate cost estimates for undertaking the O&M and MM expenditure.

Liquidity position: Adequate

SJEPL's total free cash balance stood at Rs. 113.0 crore as on June 30, 2025, in addition to MM reserves of Rs. 32 crore and DSRA of Rs. 38 crore, equivalent to one quarter of principal plus interest obligations. The annual debt repayment (principal plus interest) is estimated to be at ~Rs. 142 crore, ~Rs. 151 crore and ~Rs. 153 crore for FY2026, FY2027, and FY2028, respectively, which can be comfortably serviced from the operational cash flows.

Rating sensitivities

Positive factors - The rating could be upgraded if the company maintains its healthy toll collection growth momentum, resulting in a cumulative DSCR of more than 1.90 times on a sustained basis.

Negative factors – Downward pressure on the rating could emerge if toll collection growth is lower than expected, resulting in cumulative DSCR below 1.70 times. Non-adherence to debt structure, additional indebtedness, deterioration in the credit profile of the parent, or a weakening linkage with the parent entity may trigger a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology -Roads (Bot Toll)
Parent/Group support	Ultimate holding company: Maple Infrastructure Trust ICRA expects SJEPL's parent, MIT, to be willing to extend financial support to SJEPL, should there be a need, given the strategic importance that SJEPL holds for MIT for meeting its diversification objectives and out of its need to protect its reputation from the consequences of a group entity's distress.
Consolidation/Standalone	Standalone

About the company

SJEPL is a special purpose vehicle acquired by MIT on June 28, 2022, an InvIT sponsored by Maple Highways Pte Ltd, which is an affiliate of CDPQ (rated by Moody's Investors Service at Aaa, Stable). The SPV is involved in six-laning of the Chandikhole-Jagatpur-Bhubaneshwar section of NH 16 from 413.0 km to 418.0 km and from 0.0 km to 62.0 km (approx 67.0 km) under the NHDP-V on DBFOT-toll basis. The scheduled COD, in accordance with the appointed date, was June 10, 2014. However, it could not achieve the COD as per the schedule owing to the unavailability of right-of-way at certain critical locations, delays in shifting of utilities at specified locations and land encroachments. The project achieved the provisional completion certificate in January 2017, and 100% of the stretch is currently under tolling. However, the final COD is still awaited.

Key financial indicators (audited)

SJEPL Standalone (Rs. crore)	FY2024	FY2025
Operating income	234.8	237.6
PAT	-16.5	-7.8
OPBDIT/OI	72.97%	73.31%
PAT/OI	-7.04%	-3.28%
Total outside liabilities/Tangible net worth (times)	-14.76	-13.58
Total debt/OPBDIT (times)	7.63	7.45
Interest coverage (times)	1.21	1.30

*Source: Company, ICRA Research; * Provisional numbers; 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

	Current (FY2026)				Chronology of rating history for the past 3 years						
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Sep 30, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based-Term Loan	Long Term	988.10	[ICRA]AA (Stable)	-	-	Aug 21, 2024	[ICRA]AA (Stable)	Mar 08, 2024	[ICRA]AA- (Positive)	Feb 03, 2023	[ICRA]AA- (Stable)
			-	-	-	-	-	-	-	Sep 08, 2022	[ICRA]AA- (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**	Dec-2022	-	Dec-2033	988.1	[ICRA]AA (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

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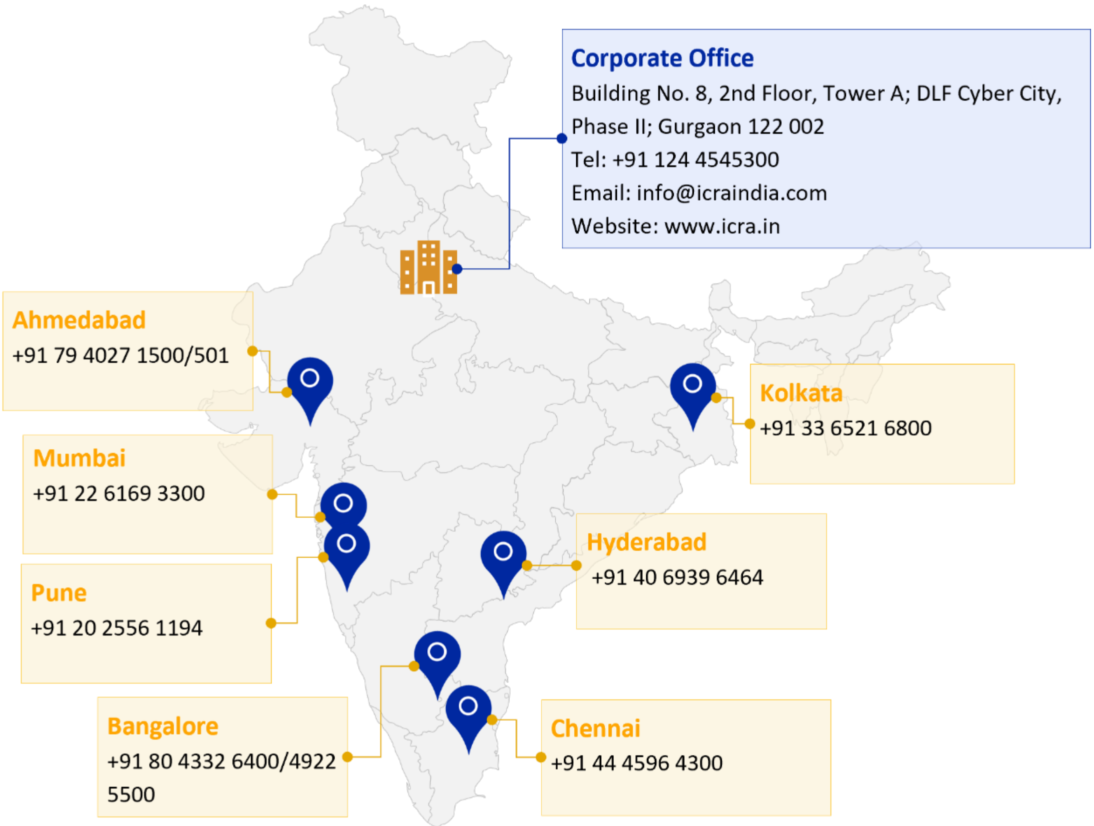

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