July 14, 2026

GP-IR Project Private Limited: Rating assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based – Term loan	760.60	[ICRA]BBB+(Stable); Assigned	RBI
Total	**760.60**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The assigned rating for GP IR Project Private Limited (GP-IR) favourably factors in the established track record of the sponsor and engineering, procurement and construction (EPC) contractor, GVPR Engineers Limited (GVPR, rated [ICRA]AA- (Stable)/ [ICRA]A1+) of more than four decades in the irrigation and water segments and its demonstrated capabilities in completing large and complex projects across the country with a reputed client profile. ICRA notes the support undertaking provided by the sponsors, GVPR and PLR Project Private Limited (PLR), on jointly and severally basis, towards any financial exigencies in case of cost overruns during the construction phase and to meet any shortfall in operations and maintenance (O&M) expenses and debt servicing during the operational phase, which provides comfort. The rating considers the inherent benefits of the hybrid-annuity based nature of the irrigation project, including upfront availability of right of way (RoW), automatic de-scoping of RoW pending beyond 730 days from the appointed date, and inflation-linked revisions to the bid project cost (BPC) during the construction period. The rating notes the relatively lower equity mobilisation risk with 40% of the BPC to be funded by the authority during the construction period in the form of a grant. The rating considers the stable revenue stream after commissioning with 60% of the balance project cost (adjusted for inflation component and interest accrued from the billing date to commercial operations date (COD) at SBI's one-month MCLR) being paid out as semi-annual annuity, along with interest on reducing the balance of completion cost at SBI's one-month MCLR + 2% and the inflation-adjusted O&M cost bid over the 20-year operations period from the authority. The presence of structural features of the debt, like the escrow, a cash flow waterfall mechanism, provisions for debt servicing reserves (DSRA) equivalent to next six months principal and interest, and restricted payment clause with a minimum DSCR of 1.20 times provides credit support.

The rating, however, remains constrained by the execution risks in the project, as the appointed date is yet to be received, which is delayed on account of the ongoing technical revisions in the project, transitioning from an earlier canal-plus-pipeline configuration to a fully underground pipeline-based system. At present, the revised configuration is under technical evaluation, with approvals pending from the authority. Further, it is vulnerable to inherent risks of execution including risks of delays and cost overruns. Its ability to commission the project in a timely manner and within the budgeted cost would be important from the credit perspective. The company is exposed to the pending equity mobilisation risk with more than 95% of the equity is yet to be infused as on date, and the same is expected to be infused over the next two years. ICRA, nevertheless, expects the sponsors to infuse the balance equity requirement from the operational cash flows in a timely manner. The company is susceptible to the counterparty risk, given it is a state government project and timely receipt of grants and annuity payments remains critical from the credit perspective. Given its dependence on state government funding, it is exposed to vagaries of state's financial health and may face delays in receipt of construction grants and semi-annuity payments. Nonetheless, ICRA notes that the authority is in discussions with financial institutions for securing debt funding for meeting the construction grant payments of five projects of RWGCL, including GP-IR and materialisation of the same in a timely manner is a key rating monitorable.

The receipt of annuity payments, post achieving COD, in a timely manner, remains to be seen and will remain a key rating monitorable. Further, the Ministry of Jal Shakti has identified Modified Parbati-Kalisindh-Chambal link project (PKC) (which include ERCPCL projects) under the National Perspective Plan and efforts are being undertaken by the state governments of Rajasthan and Madhya Pradesh to elevate the same as a national project. If it materialises, the Central Government is expected to allocate funds towards the project, which mitigates the counterparty risk to a larger extent. Post commissioning, the company must ensure satisfactory upkeep and undertake O&M and of the project stretch as per the Concession Agreement (CA) to avoid any deductions from annuities and O&M payments. The company's cash flows are exposed to inflation risk as O&M receipts, though linked to the inflation index (80% WPI all India + 20% CPI for Jaipur)), may not be adequate to compensate for the actual increase in the maintenance expenses. Any significant deduction from the annuities or O&M payments or increase in the maintenance expenses from the budgeted level could impact its coverage metrics and remain a key rating monitorable.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will benefit from the hybrid annuity nature of the project, a technically strong sponsor and EPC contractor profile for timely commissioning of the project.

Key rating drivers and their description

Credit strengths

Established EPC track record in irrigation and water segment – GP-IR has entered into an EPC agreement with its sponsors, GVPR and PLR, with PLR's scope being subcontracted to GVPR on a back-to-back basis. The project derives comfort from GVPR's established track record of over four decades in executing irrigation and water supply projects and its demonstrated capability in delivering large and complex projects across the country. Further, GVPR's diversified order book spread across more than eight states, with the water segment (lift irrigation and water supply) accounting for around 50% of the outstanding order position as on March 31, 2026, reflects its strong presence and execution capabilities in the sector.

Lower inherent risks from hybrid annuity nature of projects – The inherent benefits of the hybrid annuity-based nature of the project includes an upfront availability of RoW, automatic de-scoping of RoW pending beyond 730 days from the appointed date and inflation-linked revisions to the BPC during the construction period. Moreover, it faces relatively lower equity mobilisation risk with 40% of the BPC to be funded by the authority during the construction period in the form of a grant. A stable revenue stream post commissioning of the project with 60% of the BPC (adjusted for inflation component and interest accrued from the billing date to COD at SBI one-month MCLR), along with interest on reducing the balance of completion cost at SBI one-month MCLR + 2% and the inflation-adjusted O&M cost bid over the 20-year operations period from the project owner offer comfort.

Healthy coverage indicators and presence of structural features – Once operational, the project is expected to maintain healthy debt coverage indicators during the debt tenure. This provides the special purpose vehicle (SPV) adequate cushion to withstand any adverse movement in the maintenance expenses, bank rates and inflation to a major extent. A DSRA equivalent to six months' debt service obligations, funded as a part of the project cost, provides comfort, in case of any delays in receipt of annuity payments. The project enjoys credit support provided by other structural features of the debt, including the presence of escrow, cash flow waterfall mechanism and restricted payment clause with a minimum DSCR of more than 1.2 times.

Credit challenges

Execution risk related to under-construction project – The project is yet to receive the appointed date, which is delayed on account of technical revision of the project, transitioning from an earlier canal-plus-pipeline configuration to a fully underground pipeline-based system. At present, the revised configuration is under technical evaluation, with approvals pending from the authority. However, it is exposed to inherent risks of execution including risks of delays and cost overruns. Its ability to commission the project in a timely manner and within the budgeted cost would be important from the credit perspective. The total estimated project cost of Rs. 1,957.04 crore is planned to be funded by the authority grant of Rs. 942.90 crore, term debt of Rs. 760.60 crore and equity/promoter contribution of Rs. 253.53 crore. The sponsor, GVPR is adequately placed to infuse the equity requirement from the available cash balance and operational cash flows in a timely manner mitigates the risk to an extent.

Exposed to counterparty risk – The project remains vulnerable to the counterparty risk, with 40% of the BPC to be received as construction grants in nine equal instalments during the construction phase and the balance through 40 semi-annual annuity payments post-COD. Accordingly, timely receipt of grants and annuity payments is critical from the credit perspective, given it is a state government project and exposed to vagaries of state's financial health. It may face delays in receipt of construction grants and semi-annuity payments. However, the authority is in discussions with financial institutions for securing debt funding for five projects of RWGCL, including GP-IR and materialisation of the same is a key rating monitorable. Nevertheless, the credit profile is supported by sponsors undertaking, on jointly and severally basis, towards cost overrun during the construction phase, and any shortfall in O&M expenses and debt servicing during operational phase. Further, the Ministry of Jal Shakti has identified Modified Parbati-Kalisindh-Chambal link project (PKC) (which include ERCPCL projects) under National Perspective Plan. Efforts are being undertaken by the state governments of Rajasthan and Madhya Pradesh to elevate the same as a national project. If it materialises, the Central Government is expected to allocate funds towards the project, which mitigates the counterparty risk to a larger extent.

Project cash flows and returns exposed to O&M expenditure and inflation risks – Post commissioning, the company will have to undertake O&M of the project stretch as per the CA to avoid any deductions from its annuities. Its cash flows are exposed to inflation risks as the O&M receipts, though linked to inflation (80% WPI all India + 20% CPI for Jaipur)), may not be adequate to compensate for the increase in the maintenance expenses. Hence, any material deductions from annuities or increase in maintenance expenses from the budgeted level could impact its debt coverage metrics and remain a key credit sensitivity.

Liquidity position: Adequate

The company's liquidity position is adequate, with the total estimated project cost of Rs. 1,957.04 crore is planned to be funded by the authority grant of Rs. 942.92 crore, term debt of Rs. 760.60 crore and equity/promoter contribution of Rs. 253.53 crore. It has already secured the funding tie-up for the project from National Bank for Financing Infrastructure and Development (NaBFID). ICRA expects the sponsors to infuse the balance equity requirement from the existing cash balances and operational cash flows in a timely manner.

Rating sensitivities

Positive factors – The rating could be upgraded upon alleviation of the funding risk during construction, along with timely receipt of construction grants without any material deductions and/or if the project achieves COD without any material time and cost overruns, along with the receipt of the first annuity without any major deductions.

Negative factors – Pressure on the rating could arise if the project's progress is delayed resulting in significant time and cost overruns, or if there is a deterioration in the credit profile of GVPR Engineers Limited, thereby heightening the equity mobilisation risk, or if delays in the receipt of grant or equity infusion increase the funding risks for the project.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Rating Approach - Project Finance Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the company's standalone financial profile

About the company

GP-IR Project Private Limited (GPIR) is an SPV promoted by the consortium of GVPR Engineers Limited (GVPR, 51%), Ramky Infrastructure Limited (26%) and PLR Projects Private Limited (PLR, 23%) for construction of feeder from Isarda to Ramgarh Dam Jaipur, including all components within 27 months from the appointed date. The scope of work entails O&M of the project for a period of 20 years from achieving the date of commissioning, under hybrid annuity model (HAM), for Rajasthan Water Grid Corporation Limited (RWGCL) (formerly known as Eastern Rajasthan Canal Project Corporation Limited). The concession agreement was executed on November 11, 2025.

Key financial indicators

Key financial indicators are not applicable as it is a project stage company.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current ratings (FY2027)			Chronology of rating history for the past 3 years		
		Type	Amount rated (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
				July 14, 2026	-	-	-
1	**Term loan**	Long-term	760.60	**[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	Financial sector regulator#
NA	**Term loan**	April 09, 2026	-	April 12, 2045*	760.60	[ICRA]BBB+(Stable)	RBI

*Source: Company; *subject to change in line with the achievement of commercial operations date #SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.*

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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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.

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