

Press Release
RBG JSC INFRASTRUCTURE PRIVATE LIMITED
July 29, 2025
Rating Reaffirmed



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.72	ACUITE BBB+ Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	29.72	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of ‘**ACUITE BBB+’ (read as ACUITE triple B plus)** on the Rs.29.72 crore bank facilities of RBG JSC Infrastructure Private Limited (RJIPL). The outlook is ‘**Stable**’.

Rationale for Rating Reaffirmation

The rating reaffirmation factors in the strong characteristics of hybrid annuity model-based road project executed by the company such as inflation linked operational annuities, O&M payments and bank rate linked interest payment to be received from the PWD. The rating also factors in the strong counterparty linked revenue profile which is in the form of biannual annuity instalments from PWD for 10 years and adjusted with Price Index Multiple which already commenced from May 2021. The rating is, however, constrained by susceptibility to risks related to delay in receipt of annuity and significant changes in operational cost & interest rate.

However, the rating remains constrained on account of potential delays in annuity disbursements and exposure to variations in operational costs and interest rates, which may impact overall project cash flows.

About the Company

RBG JSC Infrastructure Private Limited was incorporated in 2018 and is a wholly owned Special Purpose Vehicle (SPV) sponsored by R B Ghodke Infrastructure Private Limited (RBGIPL) and Jai Sai Construction for construction, improvement of Shelu-Washim Road District Washim in the state of Maharashtra. The project road covers a length of 32.00 km. The project was awarded by Public Work Department, Government of Maharashtra for concession period of 10 years after construction period of 2 years. The project was executed on Design, Build, Operate and Transfer (DBOT), Hybrid Annuity Model basis i.e., post completion of construction, SPV was to be benefited from 20 bi-annual annuities of 40% of completion cost in addition to O&M expenses and interest cost (adjusted for price inflation index).

Unsupported Rating

Not Applicable

Analytical Approach

For arriving at the rating, Acuite has considered the standalone credit profile of RJIPL. Further, Acuite has also considered DSRA which is created upfront equivalent to 2 principal instalments and 06 months interest and escrow mechanism, as specified in the sanction letter while arriving at the rating.

Key Rating Drivers

Strengths

Benefits derived from the annuity-based revenue model

The company was awarded with a road project covering a length of 32.00 km which was awarded by Public Work Department, Government of Maharashtra for concession period of 10 years after construction period of 2 years.

RJIPL signed the concession agreement with PWD, GoM on December 28, 2018. The appointed date was obtained in January 2018 and the commercial operation date (COD) being 30 November 2020. The project was completed by the Company 2 months before the scheduled date of January 2021, and is now receiving annuities, interest, and O&M payments. The project completed has an annuity-based revenue model. Under this model, the PWD, Maharashtra makes bi-annual payment over the concession period to the concessionaire. Therefore, the company does not bear any traffic risk as it recovers whole of the capital cost through annuity. Further, biannual Operational and maintenance expense and interest cost reimbursement to the extent of bank rate +3 percent is given to the concessionaire during the concession phase. From FY2022 onwards, the company is receiving the annuities. In FY2025, Annuity receipts stood at Rs.4.45 Cr, Interest on annuity of Rs.4.10 Cr, and O&M charges of Rs.4.41 Cr.

Acuité believes that RJIPL will continue to benefit from favourable clauses in the concession agreement under the HAM.

Waterfall mechanism in ESCROW account

RJIPL has an escrow mechanism through which cash flows from PWD is routed for payment as per the defined payment waterfall. Only surplus cash flow after meeting statutory and operating expenses, debt servicing obligation and provision for major maintenance expense, can be utilized for subsequent debt obligation during the concession period. Also, the Company maintains DSRA of an amount equivalent to the next two principal instalments, and six months of interest amount.

Strong Counterparty Linked Revenue Profile

The project is receiving 40% of the actual completion cost that is Rs.42.39 Crore, adjusted for Price Index Multiple, in the form of biannual annuity instalments from PWD for 10 years, which commenced from May 2021. Along with annuity payments, interest is payable to RJIPL on reducing the completion cost net of construction grants at a rate equal to bank rate plus 3%. PWD is also reimbursing O&M bid cost adjusted to Price Index Multiple on the annuity payment dates to RJIPL.

Weaknesses

Susceptibility to risks related to delay in receipt of annuity

As per the concession agreement, the company is to receive semi-annual annuity. Any considerable delay in timely receipt of the annuity could adversely impact debt-servicing ability. On an average there has been a delay of around 7 weeks in receiving the last two annuity payments. Along with fixed annuities, the project will receive interest payments on the balance annuities that are linked to the prevailing bank rate. The bank rate has been volatile in the past couple of years which has impacted the project inflow as a large proportion of the cash inflow is from the interest on balance annuities. However, this risk is partially offset as the interest rate on debt is floating and is also expected to follow the trend in bank rates thus keeping DSCR in check. Further, the company is exposed to risks related to maintenance of the project. If the prescribed standards are not met, annuity payment may be reduced. Any significant delay and deduction in annuities could impact the debt servicing ability of the company. RJIPL has incurred one major maintenance in FY2025 and would be incurring another major maintenance expense in FY2028. However, RJIPL will maintain a separate MMR fund from FY2026 to complete that expense without any burden. Also, strong track record of sponsor, who is also the O&M contractor, is expected to mitigate this risk.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the “CE” suffix)

RJIPL maintains a Debt Service Reserve Account (DSRA) equivalent to the next two principal instalments, and six months of interest amount along with the ESCROW mechanism.

Stress case Scenario

Acuite believes that, given the presence of DSRA mechanism, RJIPL will be able to service its debt on time, even in a stress scenario.

Rating Sensitivities

Delay in receipt of annuity and interest payments.

Liquidity Position

Adequate

RJIPL's liquidity position is adequate marked by timely receipt of annuity payments. Company has received both the annuities for FY25 of Rs. 4.46 crore and Interest on annuity and O&M expenses reimbursement, albeit with an average delay of around 7 weeks. Acuite expects the liquidity of RJIPL to remain adequate backed by consistent

support from the sponsor and buffer of 3 months available in the scheduled principal repayment and annuity receipt date. Liquidity is further supported by maintenance of DSRA and projected average DSCR of 1.37 times through tenure of the loan.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	12.96	9.98
PAT	Rs. Cr.	2.04	0.04
PAT Margin	(%)	15.73	0.41
Total Debt/Tangible Net Worth	Times	1.28	1.10
PBDIT/Interest	Times	1.71	1.03

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Apr 2024	Term Loan	Long Term	29.72	ACUITE BBB+ Stable (Reaffirmed)
01 Feb 2023	Term Loan	Long Term	29.72	ACUITE BBB+ Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.32	Simple	ACUITE BBB+ Stable Reaffirmed
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	29 Jun 2024	Not avl. / Not appl.	31 Aug 2029	26.40	Simple	ACUITE BBB+ Stable Reaffirmed

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