

January 10, 2025

Ashoka Kandi Ramsanpalle Road Private Limited: Placed on rating watch with developing implications

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term Loan	212.33	212.33	[ICRA]AAA; Placed on rating watch with developing implications
Total	212.33	212.33	

*Instrument details are provided in Annexure-I

Rationale

On December 31, 2024, Ashoka Buildcon Limited (ABL) has announced that ABL and its subsidiary Ashoka Concessions Limited (ACL), have entered into share purchase agreement and other transaction documents with Epic Concesiones 2 Private Limited, Infrastructure Yield Plus II and Infrastructure Yield Plus IIA (both schemes of Infrastructure Yield Trust and managed by their respective investment manager, EAAA India Alternatives Limited (EIAL) [formerly known as Edelweiss Alternative Asset Advisors Limited]) for the sale of the entire share capital (including repayment/transfer of all shareholder loans) and management control of the 11 HAM (hybrid annuity model) special purpose vehicles (SPVs) held by ABL and/or ACL i.e. Ashoka Kharar Ludhiana Road Limited, Ashoka Khairatunda Barwa Adda Road Limited, Ashoka Ranastalam Anandapuram Road Limited, Ashoka Ankleshwar Manubar Expressway Private Limited, Ashoka Mallasandra Karadi Road Private Limited, Ashoka Karadi Banwara Road Private Limited, Ashoka Belgaum Khanapur Road Private Limited, Ashoka Banwara Bettadahalli Road Private Limited, Ashoka Kandi Ramsanpalle Road Private Limited, Ashoka Baswantpur Singnodi Road Private Limited and Ashoka Bettadahalli Shivamogga Road Private Limited for an aggregate consideration of Rs. 2,324 crore. The deal is expected to be concluded by September 30, 2025, subject to completion of certain conditions precedent as per the respective transaction Documents, including receipt of necessary approval/consent from the concerned lenders of the respective SPVs, National Highways Authority of India (NHAI) and the Competition Commission of India (CCI) and completion of certain conditions precedent therein.

ICRA has placed the rating of Ashoka Kandi Ramsanpalle Road Private Limited (AKRRPL) under rating watch with developing implications following the ongoing transaction of 100% stake sale of Ashoka Kandi Ramsanpalle Road Private Limited (AKRRPL) held by ACL/ABL to EIAL. ICRA will resolve the watch post the change in shareholding after understanding the impact of the transaction on the company's operational and financial profile and the financial policy of the incoming investor after concluding discussions with the new management. ICRA, however, understands, that ABL/ACL will continue to honour all its obligations related to the special purpose vehicle (SPV), in a timely manner, until the complete transfer of ownership of asset to the new shareholder.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity Position, Rating sensitivities: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Roads - Hybrid Annuity
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Ashoka Kandi Ramsanpalle Road Private Limited (AKRRPL) is a subsidiary of Ashoka Buildcon Ltd (ABL). The special purpose vehicle (SPV) was formed to undertake four laning of 39.98 km stretch from NH-161 Kandi (km 498.250 of NH-65) to Ramsanpalle (existing km. 44.757) in Telangana under Bharatmala Pariyojana on hybrid annuity basis. The company proposed to widen the existing two-lane stretch to four-lane stretch, along with the service road. The construction and concession period for the project is 2 years and 15 years respectively. The concession agreement was signed on January 03, 2020 and the project received the appointed date on October 05, 2020. It received provisional COD w.e.f. November 19, 2022 and the final COD w.e.f. January 31, 2024.

Key financial indicators (audited)

Standalone	FY2023	FY2024
Operating income	340.1	115.4
PAT	21.9	32.3
OPBDIT/OI	15.2%	52.0%
PAT/OI	6.4%	28.0%
Total outside liabilities/Tangible net worth (times)	2.3	1.6
Total debt/OPBDIT (times)	3.4	3.3
Interest coverage (times)	3.6	3.3

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; AKRRPL follows IndAS and key financial indicators 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

			Current (FY2025)			Chronology of rating history for the past 3 years					
			FY2025			FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs Crore)	Jan 10, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long Term	212.33	[ICRA]AAA; Rating watch with developing implications	14-Nov-24	[ICRA]AAA (Stable)	28-Aug-23	[ICRA]AA- (Positive)	18-Jul-22	[ICRA]A- (Positive)	31-May-21	[ICRA]A- (Stable)
-	-	-	-	-	-	06-Apr-23	[ICRA]A+ (Positive)	-	-	-	-

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	Sep 2020	NA	FY2036	212.33 ¹	[ICRA]AAA; Rating watch with developing implications

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

¹ Sanctioned debt for the project was Rs.235.0 crore. Till October 2024, the company has repaid three instalments and current outstanding is Rs.212.33 crore(including Rs.0.85 crore- undrawn debt)

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