

November 17, 2025

## Ashoka Sambalpur Baragarh Tollway Limited: Rating continues on 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	700.00	700.00	[ICRA]AA- (CE); Rating continues on Watch with Developing Implications
<b>Total</b>	<b>700.00</b>	<b>700.00</b>	

Rating without explicit credit enhancement

[ICRA]A-

\*Instrument details are provided in Annexure I

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

### Rationale

The rating for Ashoka Sambalpur Baragarh Tollway Limited (ASBTL) continues to remain on Watch with Developing Implications in view of the ongoing transaction with Maple Infrastructure Trust, which is expected to be completed by Q3 FY2026.

The rating is based on the strength of the corporate guarantee provided by Ashoka Buildcon Limited (ABL; its ultimate parent, rated [ICRA]A1+) for the term loan. ABL has a demonstrated track record of constructing and operating BOT road projects. Post the refinancing in July 2023 on better terms, ASBTL's cash flows are expected to remain comfortable for meeting its debt servicing and major maintenance obligations going forward. ASBTL's credit profile, however, remains exposed to risks inherent in toll road projects, including variations in traffic volume over the project stretch, dependence on economic activity in the surrounding regions, movement in the WPI (for toll rate hikes), political acceptability of toll rate revisions over the concession period, development or improvement of alternative routes, and the likelihood of toll leakages.

The project stretch is located on National Highway-53 (NH-53), which connects Surat to Kolkata and has an established traffic density with minimal alternative route risk, supported by an operational track record of over ten years. Toll collections have recorded a CAGR of 12.8% during FY2016-FY2025, increasing from Rs. 43 crore in FY2016 to Rs. 127.1 crore in FY2025. Toll collections improved by 7.8% in FY2025 to Rs. 127.1 crore compared to Rs. 117.9 crore in FY2024 and are expected to grow by around 7-8% to exceed Rs. 137 crore in FY2026, driven by traffic growth of 3-4% and a 4.03% hike in toll rates. The presence of a Debt Servicing Reserve Account (DSRA) equivalent to one quarter's repayment obligations, along with an escrow mechanism, provides additional comfort.

### Adequacy of credit enhancement

For assigning the rating, ICRA has assessed the attributes of the guarantee issued by ABL in favour of the said facility. The guarantee is legally enforceable, irrevocable, unconditional, covers the entire amount and tenor of the rated facility, and has a well-defined invocation and payment mechanism; however, the payment mechanism is post-default in nature. Considering the same, ICRA has assigned a rating of [ICRA]AA-(CE) to the said facility against the unsupported rating of [ICRA]A-. If the rating of the guarantor or the unsupported rating of ASBTL were to undergo a change in future, the same would have a bearing on the rating of the aforesaid facility. The rating of this instrument may also undergo a change in a scenario whereby, in ICRA's assessment, there is a change in the strength of the business linkages between the guarantor and the rated entity, or there is a change in the reputation sensitivity of the guarantor, or there is a change in the strategic importance of the rated entity for the guarantor.

## Salient covenants of the rated facility

- » ASBTL shall maintain a DSCR not below 1.10 times
- » ASBTL shall maintain a DSRA equivalent to one quarter's interest plus principal repayment
- » ABL shall retain management control (at least 51%) either directly, or through its associates, during the tenure of the facility

## Key rating drivers and their description

### Credit strengths

**Corporate guarantee provided by ABL to rated bank facilities** – The rating is based on the strength of the corporate guarantee provided by the guarantor, ABL. The guarantee is legally enforceable, irrevocable, and unconditional, covering the entire amount and tenor of the rated instrument, and has a well-defined invocation and payment mechanism.

**Operational nature of project with established traffic** – ASBTL has an operational track record of over ten years. The project stretch lies on NH-53 (connecting Surat to Kolkata), which benefits from established traffic density and low alternative route risk. Toll collections have registered a CAGR of 12.8% during FY2016-FY2025, rising from Rs. 43 crore in FY2016 to Rs. 127.1 crore in FY2025. Toll collections grew by 7.8% in FY2025 to Rs. 127.1 crore compared to Rs. 117.9 crore in FY2024 and are projected to increase by around 7-8% to exceed Rs. 137 crore in FY2026, supported by traffic growth of 3-4% and a 4.03% toll rate hike.

**Healthy debt coverage metrics and presence of DSRA and escrow mechanism provide comfort** – The projected debt coverage metrics improved after refinancing of the loan, with an extension in tenor by 9.5 years and a lower interest rate. Further, ASBTL's cash flows are expected to remain comfortable to meet its debt servicing and major maintenance obligations. The presence of a DSRA equivalent to the peak one quarter's debt servicing obligation in the form of a fixed deposit and an escrow mechanism provides comfort. The availability of a tail period of four years also provides ASBTL with financial flexibility.

### Credit challenges

**Risks inherent in BOT toll road projects** – ASBTL remains exposed to risks inherent in build-operate-transfer (BOT) toll road projects, including variations in traffic volume over the project stretch, dependence on economic activity in the surrounding regions, movement in WPI (for toll rate hikes), political acceptability of toll revisions over the concession period, development or improvement of alternative routes, and the likelihood of toll leakages. ICRA also takes note of the asset concentration risk, which is inherent in companies with single-project cash flows. Further, the project's cash flows remain exposed to interest rate risk, given the floating nature of the interest rate on the term loan facility.

**Undertaking major maintenance (MM) and O&M as per concession requirement** – ASBTL is required to undertake regular and major maintenance of the project as per the specifications of the Concession Agreement to avoid any penalties, which will remain a key credit sensitivity. Hence, the company must ensure satisfactory upkeep of the carriageway and undertake major maintenance (MM) and operations and maintenance (O&M) of the project stretch in line with the Concession Agreement to avoid any penalties. Any significant penalties levied by the authority or an increase in routine or major maintenance expenses from the budgeted level, which could impact its coverage metrics, will remain a key rating monitorable. However, ABL has a strong demonstrated track record of executing MM and O&M works within the budgeted time and cost, which provides comfort to an extent.

## Liquidity position of the entity (ASBTL): Adequate

ASBTL's liquidity position is adequate, supported by a DSRA of Rs. 27.50 crore, equivalent to the peak one quarter's principal plus interest obligations, and a Major Maintenance Reserve (MMR) of Rs. 52.0 crore in the form of fixed deposits as of September 30, 2025. Further, the cash flow from operations is expected to be sufficient to meet the debt servicing obligations of Rs. 14.0 crore in FY2026 and Rs. 28.0 crore in FY2027.

## Liquidity position of guarantor, ABL: Adequate

ABL's liquidity is adequate with unencumbered/free cash and bank balances of around Rs. 135 crore and a sizeable cushion in working capital limits of Rs. 393 crore with utilisation of fund-based limits remaining moderate at 33% as on March 31, 2025. The cash flow from operations is expected to be sufficient for meeting debt repayment of Rs. 97 crore, moderate capex of around Rs. 100 crore and its funding commitment towards SPVs in FY2026.

## Rating sensitivities

**Positive factors** – As the rating is placed under Watch with Developing Implications on the back of proposed asset sale, it will be resolved once the transaction is consummated. The rating could be upgraded in case of significant growth in toll collections, resulting in a material improvement in debt coverage metrics along with improvement in the credit profile of the guarantor, ABL.

**Negative factors** – As the rating is placed under Watch with Developing Implications on the back of proposed asset sale, it will be resolved once the transaction is consummated. The rating would face a downward pressure in case of significant decline in toll collections leading to deterioration of debt coverage metrics on a sustained basis. Further, any weakening in the credit profile of the guarantor or non-adherence to the debt structure adversely affecting the credit metrics of the company, could lead to pressure on the ratings.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Roads – BOT Toll</a>
Parent/Group support	Parent Company: Ashoka Concessions Limited (ACL) Ultimate promoter: Ashoka Buildcon Limited (ABL) The assigned rating is based on the unconditional, irrevocable corporate guarantee extended by ASBTL's ultimate parent, ABL.
Consolidation/Standalone	Standalone

## About the company

Ashoka Sambalpur Baragarh Tollway Limited (ASBTL), incorporated on June 09, 2010, is a special purpose vehicle (SPV) of ACL, assigned to undertake construction, operation, and maintenance of the 88-km long Sambalpur-Baragarh stretch on National Highway-6 (New NH-53), Odisha, on a design, build, finance, operate, and transfer (DBFOT) basis. The company received a provisional completion certificate and commenced toll collections from October 2014. Subsequently, it received full completion certificate and started tolling on the complete stretch from June 2016. The company received final completion certification on September 23, 2022. The concession period for the project is for 30 years (including 30 months for construction), which includes an annual premium payout of Rs. 1.33 crore to the NHAI with 5% increment YoY.

## About the guarantor

Ashoka Buildcon Limited is the flagship company of the Nashik-based Ashoka Buildcon Group that is primarily involved in infrastructure construction activities pertaining to road, building and power sectors. The Group is one of the leading highway developers in India. Incorporated in 1993, the company constructed residential, commercial, industrial, and institutional buildings until 1997. ABL won its first BOT project in 1997. It has predominantly been present in the roads sector, along with exposure towards the power, buildings and railways segments. ABL is listed on both the Bombay Stock Exchange and National Stock Exchange. It has a portfolio of 21 BOT projects, of which 20 are operational and one is under construction.

### Key financial indicators (audited)

ASBTL	FY2024	FY2025
Operating income (Rs. crore)	119.4	132.8
PAT (Rs. crore)	-21.6	-7.4
OPBDIT/OI	73.0%	74.9%
PAT/OI	-18.1%	-5.6%
Total outside liabilities/Tangible net worth (times)	3.3	3.5
Total debt/OPBDIT (times)	9.5	8.4
Interest coverage (times)	0.9	1.1

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

### 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						
			FY2025		FY2024		FY2023		
Instrument	Type	Amount Rated (Rs. crore)	Nov 17, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long Term	700.00	[ICRA]AA- (CE) Rating Watch with Developing Implications	Nov 11, 2024	[ICRA]AA- (CE) Rating Watch with Developing Implications	Nov 10, 2023	[ICRA]AA- (CE) (Stable)	Feb 17, 2023	[ICRA]A (CE) Rating Watch with Developing Implications
			-	Aug 05, 2024	[ICRA]AA- (CE) (Stable)	May 30, 2023	[ICRA]A (CE) (Stable)	-	-

### Complexity level of the rated instrument

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/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	FY2023	NA	FY2038	700.00	[ICRA]AA- (CE); Rating watch with developing implications

Source: Company

Note: Project was sanctioned debt aggregating to Rs. 700.00 crore and the current rating is done on the entire sanctioned debt of Rs. 700.00 crore

[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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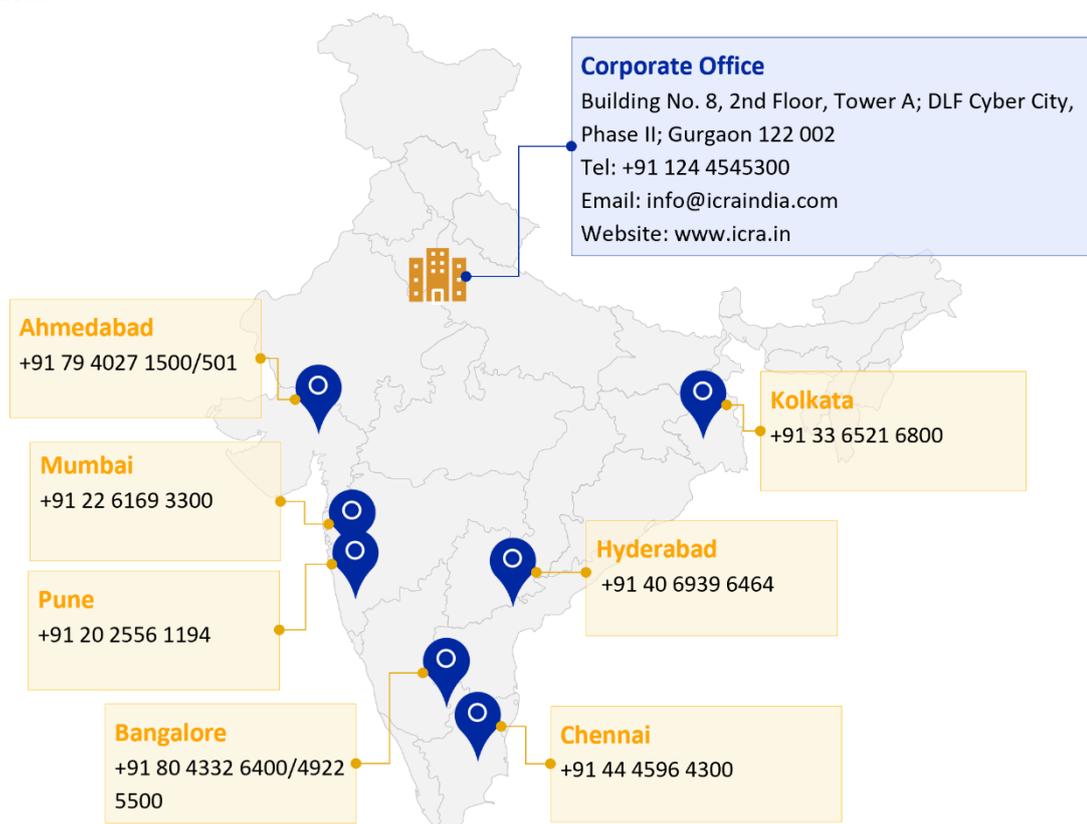
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