

April 22, 2026

## Eastern Ghats Highway Project Pvt. Ltd.: Rating reaffirmed; outlook revised to Positive

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund-based - Term loan	652.00	652.00	[ICRA]A- (Positive); Rating reaffirmed and outlook revised to positive from stable
Long-term - Interchangeable limits - Bank guarantee	(153.57)	(153.57)	[ICRA]A- (Positive); Rating reaffirmed and outlook revised to positive from stable
Long-term - Non-fund based - Bank guarantee	41.89	41.89	[ICRA]A- (Positive); Rating reaffirmed and outlook revised to positive from stable
<b>Total</b>	<b>693.89</b>	<b>693.89</b>	

\*Instrument details are provided in Annexure II

### Rationale

The revision in outlook to Positive for Eastern Ghats Highway Project Pvt. Ltd (EGHPPL) favourably factors in the alleviation in project execution risk in the backdrop of the advanced stage of project completion of around 96% as on February 28, 2026, expected receipt of final completion certificate and finalisation of project completion cost in the near term. The company achieved provisional completion certificate (PCC) for 19.31 kms out of 22.53 kms (86% of the stretch), with PCC – 1 achieved for 7.53 kms with effective from December 10, 2024, and PCC – 2 achieved for 11.78 km with effective from December 15, 2025. The rating notes the receipt of two semi-annuities till date without any major deductions. While the company received the two annuities with a delay of 93 days and 64 days, respectively, on account of procedural delays for finalising the cost related to provisional completion of the project, ICRA expects the subsequent annuities to be received in a timely manner. Once operational, the company's debt coverage metrics are expected to remain comfortable during the debt tenure.

The rating factors in the healthy credit profile of its sponsors and engineering, procurement and construction (EPC) contractors, Bekem Infra Projects Private Limited (Bekem, rated [ICRA]A (Stable)) and Max Infra (I) Private Ltd (Max Infra, rated [ICRA]A- (Positive)/[ICRA] A2+), who have equal shareholding. The rating positively notes the support undertaking provided by Bekem as well as Max Infra to the lender to offer financial support in case of cost overruns during the construction phase, any shortfall in operations and maintenance (O&M) expenses and debt servicing in the operational phase. The rating draws comfort from the presence of structural features of the debt, including the escrow and cash flow waterfall mechanism, provisions for debt servicing reserve (DSRA, for 6 months P+I), creation of major maintenance reserve (MMR) and restricted payment clause with a minimum debt service coverage ratio (DSCR) of 1.1 times. The rating considers the stable revenue stream post commissioning with 60% of the inflation-adjusted bid project cost (BPC) being paid out as annuity, along with interest at average of one-year MCLR of top five scheduled commercial banks plus 125 bps and operations and maintenance (O&M) payments (adjusted for inflation) over the term of the concession from the project owner and annuity provider, the National Highway Authority of India (NHAI, rated [ICRA]AAA(Stable)), which is a key Central Government entity responsible for development and maintenance of India's national highway programme.

The rating, however, remains constrained by the residual execution risks, with balance works expected to be completed within the extended timelines approved by the authority. The company has entered into a settlement agreement with the NHAI in January 2026, wherein the authority approved extension of time for completing the project by May 04, 2026, owing to delay in providing the right of way (RoW), challenges involved in excavation of tunnel portion of the project stretch and delay in receipt of requisite approvals for change of scope works from the authority. The implementation risk is, nevertheless, mitigated

to an extent by the presence of a fixed-price EPC contract and the company's ability to commission the project in a timely manner and within the budgeted cost, would be important from the credit perspective. EGHPL's cash flows are exposed to inflation risk as O&M receipts, though linked to inflation index (70% WPI and 30% CPI), may not be adequate to compensate for the actual rise in O&M/periodic maintenance expenses. ICRA notes the single-asset nature of the project, which exposes it to revenue concentration risk. Consequently, the company's debt coverage metrics remains vulnerable to the risk of deductions from annuity and O&M receipts if maintenance is not undertaken as per the specifications of the Concession Agreement (CA). Therefore, post commissioning, EGHPL would have to ensure satisfactory upkeep of the carriageway and ensure healthy lane availability to avoid any deductions from the annuity amount. Any significant deductions from annuities or rise in routine and major maintenance and repair from the budgeted level could impact its coverage metrics and remains a key rating monitorable. Nevertheless, the company's adequate coverage metrics mitigate the risk of deductions or increase in operating/major maintenance expenses to an extent.

## Key rating drivers and their description

### Credit strengths

**Successful achievement of provisional COD and receipt of two annuities till date** – The project achieved PCC – 1 for 7.53 kms with effective from December 10, 2024, and PCC – 2 achieved for 11.78 km with effective from December 15, 2025, out of the total project stretch of 22.53 km. Further, the company received two semi-annuities till date without any major deductions corresponding to PCC – 1. While it received the two annuities with a delay of 93 days and 64 days, respectively, on account of procedural delays for finalising the cost related to provisional completion of the project, ICRA expects the subsequent annuities to be received in a timely manner. The project will have a stable revenue stream post commissioning with 60% of the inflation-adjusted BPC being paid out as annuity, along with interest at an average of one-year MCLR of the scheduled commercial banks + 1.25% and the inflation-adjusted O&M cost bid over the 15-year operations period by the project owner, NHAI, which is a strong counterparty, provide comfort.

**Comfortable projected debt coverage indicators for the project** – Once operational, the company's debt coverage metrics are expected to remain comfortable during the debt tenure. Further, ICRA draws comfort from the presence of structural features of the debt, including the escrow and cash flow waterfall mechanism, provisions for DSRA (6 months P+I), creation of MMR and restricted payment clause with a minimum DSCR of 1.1 times.

**Sponsor undertaking towards the project** – The company's credit profile is supported by the healthy financial profile of the sponsors and EPC contractors of the project, Bekem and Max Infra. The undertaking provided to the lender to offer financial support in case of cost overruns during the construction phase, any shortfall in O&M expenses and debt servicing in the operational phase is a credit positive.

### Credit challenges

**Execution risk related to under-construction project** – As on February 28, 2026, the company achieved 96% of the physical progress, wherein the tunnel section of the project is due for certification, and the balance works are expected to be completed within the extended timelines approved by the authority. It has entered into a settlement agreement with the NHAI in January 2026, wherein the authority approved an extension of timeline till May 04, 2026 for completing the project, owing to delay in providing RoW, challenges involved in excavation of tunnel portion of the project stretch and delay in receipt of requisite approvals for change of scope works from the authority. ICRA notes the limited experience of the sponsors in the execution of hybrid annuity projects and their ability to commission the project, in a timely manner, would be important from the credit perspective.

**Undertaking O&M as per concession requirement, cash flows and returns exposed to inflation risks** – EGHPL's cash flows are exposed to inflation risks as the O&M receipts, though linked to inflation (70% WPI and 30% CPI), may not be adequate to compensate for the increase in O&M/periodic maintenance expenses. ICRA notes the single-asset nature of the project, which

exposes it to revenue concentration risk. Consequently, the company’s debt coverage metrics remains vulnerable to the risk of deductions from annuity and O&M receipts if maintenance is not undertaken as per the specifications of the CA. Therefore, post commissioning, EGHPPPL would have to ensure satisfactory upkeep of the carriageway and ensure healthy lane availability to avoid any deductions from the annuity amount. Any significant deductions from annuities or increase in routine and major maintenance and repair from the budgeted level could impact its coverage metrics and remains a key rating monitorable. Nevertheless, its adequate coverage metrics mitigate the risk of deductions or increase in operating/major maintenance expenses to an extent.

### Liquidity position: Adequate

The company’s liquidity position is adequate with the balance project cost of Rs. 71.2 crore as on March 05, 2026 likely to be funded by undrawn debt of around Rs. 50 crore and the rest through equity infusion from sponsors, if required. Further, it has around Rs. 30 crore of fixed deposits, created from the first two annuities received. The same shall be used for creating DSRA reserve once the project achieves the commercial operations date.

### Rating sensitivities

**Positive factors** – The rating could be upgraded upon sustained track record of timely receipt of annuity and O&M payments without any material deductions, along with receipt of final COD/finalisation of project cost.

**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 are major deductions or delays in the receipt of semi-annual annuities or O&M payments weakening the debt coverage indicators, or if there is a deterioration in the credit profile of the sponsors. Any additional debt availed by the special purpose vehicle leading to a deterioration of the debt coverage indicators will be a credit negative.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Roads - Hybrid Annuity</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the company’s standalone financial profile

### About the company

Eastern Ghats Highway Project Private Limited (EGHPPL) was incorporated on February 12, 2022 as a special purpose vehicle by Bekem Infra Projects Private Limited and Max Infra (I) Private Limited (the project sponsors) with the objective to develop, maintain and manage the project of six-laning of the access-controlled greenfield highway section on NH-130CD (Kandili – Tumbigura) of 22.53 km from Kandili village to Tumbigura village (design chainage 342+500 to 365+033) under the Raipur-Visakhapatnam Economics Corridor, in Odisha (Package-OD-8) on hybrid annuity mode.

EGHPPL was awarded the project through a competitive bidding process with a BPC of Rs. 1,396.09 crore and a first-year O&M cost of Rs. 1.8 crore. The estimated total revised project cost is Rs. 1,552.67 crore. It is to be funded by a promoter contribution of Rs. 231.71 crore (15% of project cost), debt of Rs. 652 crore (42% of project cost) and an NHAI grant of Rs. 668.96 crore (43% of project cost). The project achieved PCC – 1 for 7.53 kms (33% of the stretch) w.e.f December 10, 2024, and further achieved PCC – 2 for additional 11.78 kms (52% of the stretch) w.e.f December 15, 2025.

### Key financial indicators (audited)

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	April 22, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based - Term loan	Long-term	652.00	[ICRA]A-(Positive)	-	-	Feb 10, 2025	[ICRA]A-(Stable)	Mar 08, 2024	[ICRA]A-(Stable)
Interchangeable - Bank guarantee	Long-term	(153.57)	[ICRA]A-(Positive)	-	-	Feb 10, 2025	[ICRA]A-(Stable)	Mar 08, 2024	[ICRA]A-(Stable)
Non-fund based - Bank guarantee	Long-term	41.89	[ICRA]A-(Positive)	-	-	Feb 10, 2025	[ICRA]A-(Stable)	Mar 08, 2024	[ICRA]A-(Stable)

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI

10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA
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(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** 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.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long-term – Non-fund based – Interchangeable – Bank guarantee	Simple
Long-term – Non-fund based – Bank guarantee	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 II: 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	652.00	[ICRA]A- (Positive)
NA	Interchangeable-Bank guarantee	FY2023	NA	FY2038	(153.57)	[ICRA]A- (Positive)
NA	Bank guarantee	FY2023	NA	FY2038	41.89	[ICRA]A- (Positive)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

### Annexure III: List of entities considered for consolidated analysis: Not Applicable

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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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