

April 29, 2026

## Kandi Ramsanpalle Road Private Limited: Rating reaffirmed and removed from Watch with Developing Implications; Stable outlook assigned

### 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	183.91	[ICRA]AAA (Stable); reaffirmed and removed from Watch with Developing Implications; Stable outlook assigned
<b>Total</b>	<b>212.33</b>	<b>183.91</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating reaffirmation of Kandi Ramsanpalle Road Private Limited (KRRPL) factors in the successful receipt of six semi-annuity payments, including operations and maintenance (O&M) payments, till date from the National Highway Authority of India {NHAI; rated [ICRA]AAA (Stable)}, in a timely manner, without any major deductions. The removal of the Rating Watch with Developing Implications also accounts for consummation of the sale transaction, where EPIC Concesiones 2 Private Limited (ECPL) acquired 100% stake of KRRPL from the Ashoka Group in September 2025. ICRA notes that NHAI withheld the sixth O&M payment of Rs. 2.1 crore owing to certain maintenance-related observations raised by the regional office. However, it was subsequently received in full on January 22, 2026. The rating also factors in the increase in cushion between the annuity due date and the debt repayment date to 101/104 days from the earlier 27/28 days, post the refinancing of the term debt in March 2025. Further, the refinancing has also facilitated the mitigation of interest rate risk to a large extent, given the repo-linked term loan interest structure provides a natural hedge as the interest component of annuities is linked to the Reserve bank of India's (RBI) Bank Rate, leading to better alignment of inflows and outflows. The rating considers the healthy debt coverage metrics with cumulative debt service coverage ratio (DSCR) above 1.25 times during the debt tenure, presence of structural features of the debt, including the presence of escrow, cash flow waterfall mechanism, maintenance of debt service reserve (DSR) and major maintenance reserve (MMR), restricted payment clause with a minimum DSCR of 1.10 times. Although, as per the revised sanction terms, KRRPL is required to maintain a DSR equivalent to six months principal and three months interest as against earlier six months of debt obligations (principal and interest), the management has confirmed that it will maintain six months of principal and interest obligations, which currently stands at Rs. 18.8 crore as on February 28, 2026.

The rating considers the stable annuity revenue stream over the term of the concession from the project owner and annuity provider, NHAI, which is a strong counterparty and a key Central Government entity responsible for the development and maintenance of India's national highway programme. The stable and predictable annuity-linked revenue stream under the hybrid annuity model (HAM) structure eliminates traffic risk, providing comfort. Post acquisition, KRRPL became a wholly owned subsidiary of ECPL, with all O&M and periodic maintenance activities to be undertaken by the experienced in-house project management team. The team currently manages O&M and major maintenance (MM) activities across 10 road assets under the Edelweiss Alternatives platform and comprises experienced professionals with significant expertise in the road segment, which demonstrated a strong execution track record of undertaking the works within the budgeted timelines and cost over the past 4–5 years, and provides operational comfort. ICRA notes that the asset is expected to be acquired by Citius TransNet Investment Trust (Citius/Trust) over the medium term, for which the Trust holds a right of first offer (ROFO).

ICRA notes the single-asset nature of the project, which exposes it to revenue concentration risk. Consequently, the debt coverage metrics of KRRPL remain exposed 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, the company would have to ensure satisfactory upkeep of the carriageway to avoid any deductions. ICRA notes that the first MM for the asset is expected to be undertaken in FY2030 at an estimated cost of Rs. 100 crore for the entire stretch, and it is likely to be funded by additional indebtedness of Rs. 74 crore and the remaining through intercorporate deposits (ICDs) from Ankleshwar Manubar Expressway Private Limited, if required. Any significant deduction in annuity payments or material increase in regular or periodic maintenance expenditure beyond the budgeted levels adversely impacting the coverage metrics will remain a key rating monitorable. KRRPL's cash flows are exposed to inflation risk as O&M receipts, though linked to inflation index [70% wholesale price index (WPI) and 30% consumer price index (CPI)], may not be adequate to compensate for the actual increase in O&M/periodic maintenance expenses. Nevertheless, the robust coverage metrics of the company mitigate the risk of deductions or increase in operating expenses to an extent.

The Stable outlook on the long-term rating reflects ICRA's opinion that KRRPL will continue to benefit from timely receipt of annuity and O&M payments from the NHAI, without any material deductions, healthy debt coverage metrics and presence of structural features of debt.

## Key rating drivers and their description

### Credit strengths

**Operational annuity project with timely track record of receipt of six semi annuities** – KRRPL has received the provisional completion effective from November 19, 2022, and received the final completion certificate with effect from January 31, 2024. The annuity nature of the project eliminates the traffic risk in the HAM road projects. The achievement of the final COD results in finalisation of the bid project cost on which annuity amounts are paid. As per the CA, KRRPL will be receiving 30 semi-annuities starting six months from the provisional completion totalling 60% of the final project completion cost, along with interest on the residual annuities payable (at bank rate + 3%), and the inflation-adjusted O&M cost bid over the 15-year operations period from the project owner and authority, NHAI, a key Central Government entity responsible for the development and maintenance of the country's national highways. The company has received six semi-annuity payments, including O&M payment, in a timely manner, without any penalties/deductions. There is a buffer of 101/104 days between the annuity date and the scheduled debt-servicing date and availability of liquidity cushion in the form of DSRA, which mitigates the risk of delay in annuity payments (if any).

**Healthy projected debt coverage indicators and presence of structural features** – The coverage metrics of the company are expected to remain robust, with cumulative DSCR of more than 1.25 times during the debt tenure. Further, structural features of the debt, including the presence of escrow mechanism, maintenance of reserves, a defined cash flow waterfall and a restricted payment clause with minimum DSCR of 1.10 times, provides comfort to the rating. As on February 28, 2026, the company is maintaining six months of debt obligations as DSR of Rs. 18.8 crore, in the form of fixed deposits with the lender.

**Low O&M risk, given experienced in-house project management team for undertaking O&M and MM works** – KRRPL is a wholly owned subsidiary of ECPL. Going forward, all the O&M and MM works of the entity shall be undertaken by the in-house project management team. Currently, the in-house team is managing the O&M and MM works of all the 10 road assets under the real asset funds of Edelweiss Alternatives. The in-house team comprises experienced professionals with strong expertise in the road segment and has a demonstrated track record of executing O&M works within the budgeted time and cost over the past 4-5 years, which provides comfort.

### Credit challenges

**Undertaking O&M as per concession requirement and risk of deductions from annuity/O&M payout** – KRRPL's sources of income include the annuity, interest on outstanding annuities and annual O&M payments from the NHAI. ICRA notes the single-asset nature of the project, which exposes it to revenue concentration risk. Consequently, the debt coverage metrics of

KRRPL remain exposed to the risk of deductions from annuity and O&M receipts if maintenance is not undertaken as per the specifications of the CA. Therefore, it would have to ensure satisfactory upkeep of the carriageway to avoid any deductions. Any significant deduction in annuity payments or material increase in regular or periodic maintenance expenditure beyond the budgeted levels adversely impacting the coverage metrics will remain a key rating monitorable. Nevertheless, the robust coverage metrics of the company mitigate the risk of deductions or increase in operating expenses to an extent.

**Project returns exposed to inflation risk** – KRRPL’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 increase in O&M/periodic maintenance expenses.

### Liquidity position: Adequate

KRRPL’s liquidity position is Adequate, with the cash flow from operations expected to be sufficient to meet the debt-servicing obligations (P+I) of around Rs. 27.8 crore in FY2027. Its liquidity position is also supported by the availability of cash DSRA of Rs. 18.8 crore, which is equivalent to six months of debt-servicing obligations and free cash balances of Rs. 36.1 crore as of February 28, 2026.

### Rating sensitivities

**Positive factors** – Not applicable

**Negative factors** – Pressure on the rating could arise if there are any major deductions or delays in the receipt of semi-annual annuities or O&M payments, or if an increase in the O&M expenses or any additional debt availed by the SPV results in a deterioration of the debt coverage indicators. A specific credit metric for a rating downgrade includes cumulative DSCR falling below 1.25 times on a sustained basis. The rating could also come under pressure if there is any non-adherence or dilution to the debt structure.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies 9 Bold	<a href="#">Corporate Credit Rating Methodology Roads - Hybrid Annuity</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

### About the company

KRRPL is a special purpose vehicle (SPV), which was initially sponsored by Ashoka Buildcon Ltd (ABL). It was formed to undertake the 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 under the HAM. The company proposed to widen the existing two-lane stretch to four-lane stretch, along with the service road. The construction and concession periods for the project are 2 years and 15 years, respectively. The CA 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. ECPL had entered into a sale agreement with ACL for acquiring 100% stake in KRRPL in December 2024 and the transaction was completed on September 29, 2025.

### Key financial indicators (audited)

KRRPL (standalone)	FY2024	FY2025
Operating income (OI)	115.4	77.1
PAT	32.3	32.5
OPBDIT/OI	52.0%	77.9%
PAT/OI	28.0%	42.2%
Total outside liabilities/Tangible net worth (times)	1.6	1.2
Total debt/OPBDIT (times)	3.3	3.4
Interest coverage (times)	3.3	2.8

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; KRRPL follows INDAS and key financial ratios 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 (FY2027)			Chronology of rating history for the past 3 years							
Instrument	Type	Amount rated (Rs. crore)	FY2026		FY2025		FY2024			
			Date	Rating	Date	Rating	Date	Rating		
Term loan	Long term	183.91	Apr 29, 2026	[ICRA]AAA (Stable)	-	-	Jan 10, 2025	[ICRA]AAA; Rating Watch with Developing Implications	Aug 28, 2023	[ICRA]AA- (Positive)
					-	-	Nov 14, 2024	[ICRA]AAA (Stable)	Apr 06, 2023	[ICRA]A+ (Positive)

### 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 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

(@) 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 FSR other than SEBI.

## 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 II: 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	183.91	[ICRA]AAA (Stable)

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**

## ANALYST CONTACTS

**Ashish Modani**

+91 20 6606 9912

[ashish.modani@icraindia.com](mailto:ashish.modani@icraindia.com)

**Suprio Banerjee**

+91 22 6114 3443

[supriob@icraindia.com](mailto:supriob@icraindia.com)

**M Rajashekar Reddy**

+91 40 6939 6423

[m.rajashekarreddy@icraindia.com](mailto:m.rajashekarreddy@icraindia.com)

**Doddapanani Srisai Bhavya**

+91 40 6939 6421

[doddapanani.bhavya@icraindia.com](mailto:doddapanani.bhavya@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## 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.

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For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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