

April 30, 2026

## PS Toll Road Private Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	622.95	490.53	[ICRA]C+; reaffirmed
<b>Total</b>	<b>622.95</b>	<b>490.53</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating reaffirmation for PS Toll Road Private Limited (PSTRPL) continues to take into account the prolonged delays in project completion and the ongoing dispute between PSTRPL and the National Highways Authority of India [NHAI, rated [ICRA]AAA(Stable)] over penalties for the delay in project completion and premium payable in line with the provisions of the Concession Agreement. The total claim amount by the NHAI from the company, represents a significant sum, including claims related to non-payment of premiums and accrued interest thereon. The company has made counterclaims primarily related to engineering, procurement and construction (EPC) contractor-related services. Any crystallisation in this claim liability would have an adverse impact on its credit profile and hence will remain a key rating monitorable. Although it has maintained a debt service reserve account (DSRA) balance of Rs. 25.9 crore as on March 31, 2026, it is lower than the lenders' stipulated DSRA to cover succeeding three months' principal and interest obligations. Notwithstanding the track record of toll collections, the project remains exposed to risks inherent in BOT (toll) road projects, including risks arising from political acceptability of rate hikes linked to WPI over the concession period and interest rate risk, given the floating nature of interest rates.

The rating, however, favourably takes into account the project's long established tolling track record of more than 15 years, along with the advantageous location, on the Mumbai-Chennai stretch of the Golden Quadrilateral offering strategic benefits to its operations, which is reflected in its healthy CAGR of 7.3% in toll revenue during FY2018-2026, with 4.2% growth in FY2026, supported by toll rate hike of 3.4%.

### Key rating drivers and their description

#### Credit strengths

**Operational nature of project; established toll collection track record** – The project has an operational track record of more than 15 years, with healthy CAGR of 7.3% in toll revenue during FY2018-2026, with 4.2% growth in FY2026, supported by toll rate hike of 3.4%. The project stretch is a part of the Mumbai – Chennai stretch of the Golden Quadrilateral, connecting major cities of Pune, Kolhapur and Bangalore. Traffic is majorly composed of cars (70%-75%) and buses/trucks (11%-13%). Traffic volumes are driven by major tourist attractions like Mahabaleshwar, Panchgani and Kas Pathaar near the stretch. While ICRA notes the project's strategic location, the stretch witnessed a 6.1% YoY decline in traffic in FY2025, followed by a nominal traffic recovery of 0.8% in FY2026 due to ongoing construction work on the adjacent Kagal-Satara section of NH48, which resulted in traffic diversion via Solapur (Maharashtra). However, this disruption is temporary, and traffic volume is expected to recover once the ongoing construction works are completed.

## Credit challenges

**Continuing delays in project execution; exposed to residual execution risk** – There have been prolonged delays in project execution for around a decade (original scheduled completion date was March 31, 2013). Till date, PSTRPL has received the NHAI's approval for extension of timeline for construction till December 31, 2015. The Independent Engineer has recommended extension of time on multiple occasions. However, the same are yet to be approved by the NHAI. The project received provisional completion certificate on April 30, 2022, subject to completion of pending punch list works (of Rs. 184.9 crore) within ensuing 90/180 days (for punch list A and B respectively), though the same has been delayed by challenges like unhindered right of way (RoW), rainfall and other local issues as per the lender's engineer report. The balance work outstanding was around Rs. 15-20 crore as on March 31, 2026 (pertaining to hindered stretches of land). However, the company has applied for its descoping because of unavailability of RoW. It shall remain exposed to residual execution risk till the same is received.

**Sizeable contingent liability, primarily on account of claims filed by authority** – The dispute between the company and the NHAI over penalties for the delay and NHAI premium is subject to arbitration. The total claim amount by the NHAI from the company, represents a significant sum, including claims related to non-payment of premiums and accrued interest thereon. The company has made counterclaims primarily related to engineering, procurement and construction (EPC) contractor-related services. PSTRPL is paying premium in line with the provisions of the Concession Agreement from October 2023 onwards (to be escalated by 5% annually), with part amount currently pending release from escrow account. Any crystallisation of the NHAI's claim liability would have an adverse impact on the company's credit profile.

**Risks inherent to toll road projects and interest rate risk** – The project remains exposed to risks inherent in BOT (toll) road projects, including risks arising from variation in traffic volume over the project stretch and its dependence on the economic activity in the surrounding regions. Moreover, it is vulnerable to movement in WPI (for toll rate hike), political acceptability of toll rate hikes over the concession period, development/improvement of alternative routes and likelihood of toll leakages. Further, the project's cash flows and profitability remain vulnerable to the interest rate risk due to the floating nature of the interest rate. ICRA notes that although the company has maintained a DSRA balance of Rs. 25.9 crore as on March 31, 2026, it is lower than the lenders' stipulated DSRA to cover succeeding three months' principal and interest obligations.

## Liquidity position: Stretched

As on March 31, 2026, the free cash balance stood at Rs. 23.34 crore against repayment obligation of Rs. 125.40 crore for FY2027. The prolonged capital expenditure, coupled with suspension of toll collections in the past, has strained PSTRPL's cash flows, necessitating dependence on sponsor support in the past. The project cash flows are expected to be tightly matched with capital expenditure, scheduled debt obligations and routine O&M expenses. However, the ability to serve the NHAI premium in a timely manner, given the limited cash flow headroom remains a key monitorable. Further, any adverse outcome of the ongoing arbitration proceedings on claims and outstanding NHAI deferred premium could further in cash flow mismatches, further straining the liquidity.

## Rating sensitivities

**Positive factors** – The rating could be upgraded on sustained and material improvement in debt coverage metrics, creation of stipulated reserves in line with the lenders' requirements, along with improvement in liquidity position. Moreover, a favourable outcome from arbitration proceedings is also vital for a rating upgrade.

**Negative factors** – Any weaker-than-expected toll collections resulting in weakening in debt coverage metrics and/or any unfavourable outcome on disputes with the NHAI leading to material liability could lead to a downward movement in rating.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Roads - BOT Toll</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the company's standalone financial statements.

## About the company

Incorporated in February 2010, PSTPRL is a special purpose vehicle fully held by Reliance Infrastructure Limited. The scope of work included widening of the Pune - Satara stretch from four lanes to six lanes on design, build, finance, operate and transfer basis under NHDP Phase V in Maharashtra. The project is a part of NH-4 and starts at km 725.00 and ends at km 865.35 of NH-4 covering a total length of about 140.35 km. The project was awarded by the NHAI based on the highest premium quoted of Rs. 90.90 crore in the first year, i.e., from October 2010. The project achieved provisional completion on April 30, 2022 and is under process for receiving full completion.

## Key financial indicators (audited)

PS Toll Road Private Limited - Standalone	FY2024	FY2025
Operating income (OI)	474.4	455.6
PAT	-256.3	-283.2
OPBDIT/OI (%)	64.5%	61.4%
PAT/OI (%)	-54.0%	-62.2%
Total outside liabilities/Tangible net worth (times)	6.4	19.7
Total debt/OPBDIT (times)	2.7	2.7
Interest coverage (times)	1.1	1.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Note: The company follows IndAS and the 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

	Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
		Type	Amount rated (Rs. crore)	April 30, 2026	FY2026		FY2025		FY2024	
					Date	Rating	Date	Rating	Date	Rating
1	Term loans	Long term	490.53	[ICRA]C+	-	-	Feb 10, 2025	[ICRA]C+	Jan 12, 2024	[ICRA]C+
2	Unallocated limits	Long term	0.0	-	-	-	-	-	Jan 12, 2024	[ICRA]C+

## 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

(@) 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

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	FY2015	NA	FY2030	490.53	[ICRA]C+

Source: Company

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

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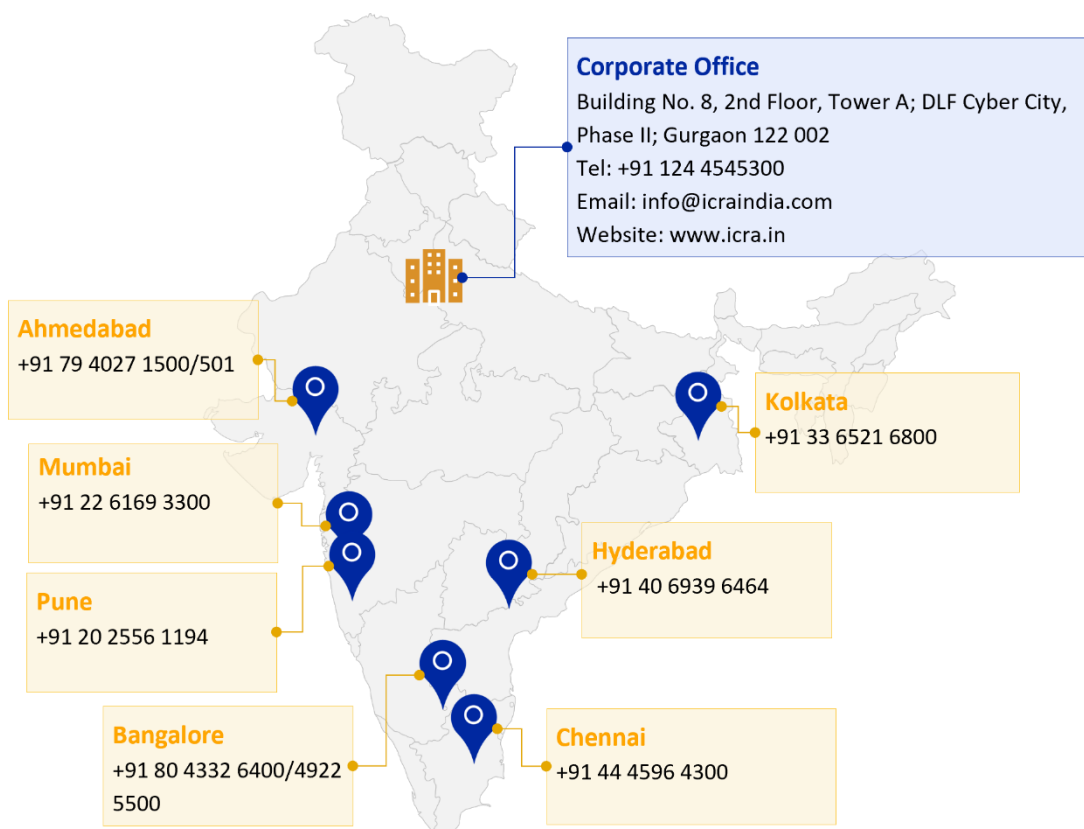
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