May 12, 2026

Ankleshwar Manubar Expressway 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 Loans	478.97	457.76	[ICRA]AAA (Stable); reaffirmed and removed from Watch with Developing Implications; Stable outlook assigned
Total	**478.97**	**457.76**	

**Instrument details are provided in Annexure II*

Rationale

The rating reaffirmation for Ankleshwar Manubar Expressway Private Limited (AMEPL) favourably factors in the healthy track record of receipt of eight 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 penalties/deductions. The rating considers the healthy debt coverage metrics with cumulative debt service coverage ratio (DSCR) above 1.25 times during the debt tenure. Further, the term loan interest rate is linked to repo rate mitigating the interest rate risk as it provides a natural hedge, given that the interest on annuities is linked to the Reserve Bank of India's (RBI) bank rate. The removal of the Rating Watch with Developing Implications is attributable to the consummation of the sale transaction, where EPIC Concesiones 2 Private Limited (ECPL) acquired 100% stake of AMEPL from the Ashoka Group in September 2025. The rating positively notes the presence of structural features of the debt, including the presence of escrow, cash flow waterfall mechanism, restricted payment clause with a minimum DSCR of 1.10 times, debt service reserve (DSR) and stipulation for maintenance of major maintenance reserve (MMR) starting from FY2031. There is a cushion of 18/19 days available between the annuity receipt date and the scheduled debt servicing date of the loan facilities, along with the presence of pre-default defined usage DSRA, which provides comfort. Although as per the revised sanction terms, AMEPL is required to maintain a DSR equivalent to six months principal and three months interest against the 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. 42.86 crore as on April 12, 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 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, AMEPL 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, at present, 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. It has demonstrated a strong execution track record of undertaking the works within the budgeted timelines and cost over the past 4–5 years, which provides operational comfort. 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, AMEPL's debt coverage metrics 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. 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. The first MM cycle for the asset is expected to be undertaken during FY2028-2030 at an estimated cost of Rs. 21.1 crore for the entire stretch, and the same is likely to be funded by additional indebtedness. Further, the company was sanctioned a permitted indebtedness of Rs. 61.97 crore, which is likely to be availed for funding the major maintenance activities of three group companies (Kandi Ramsanpalle Road Private Limited (Rs. 24.65 crore), Ashoka Karadi Banwara Road Private Limited (Rs. 25.14 crore) and Ashoka Mallasandra Karadi Road Private Limited (Rs. 12.19 crore)), if required. Notwithstanding the additional debt of around Rs. 83 crore, the company's coverage metrics remain healthy.

AMEPL'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 company's healthy coverage metrics mitigate the risk of any adverse increase in operating expenses and debt servicing requirement to an extent.

The Stable outlook on the long-term rating reflects ICRA's opinion that AMEPL will 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 eight semi annuities – AMEPL has received the provisional completion effective from March 31, 2022, and received the final completion certificate with effect from April 02, 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, AMEPL 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 received eight semi-annuity payments till date, including O&M payment, in a timely manner, without any penalties/deductions. There is a buffer of 18/19 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 debt coverage metrics are expected to remain healthy with a cumulative DSCR of above 1.25 times during the debt tenure. Further, the credit profile is supported by the presence of structural features of the debt including the presence of escrow, cash flow waterfall mechanism and restricted payment clause with a minimum DSCR of 1.10 times, creation of DSRA, as well as stipulation of creation of the MMR starting from FY2031, which provides support. The company has DSRA of Rs. 42.86 crore as on April 12, 2026, which is sufficient to cover six months of debt obligations.

Low O&M risk due to experienced in-house project management team for undertaking O&M and MM work – AMEPL is a wholly-owned subsidiary of ECPL. Going forward, all the O&M and MM work of the entity shall be undertaken by the in-house project management team. At present, the in-house team is managing the O&M and MM work 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 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 – AMEPL'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, AMEPL's debt coverage metrics 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.

Project returns exposed to inflation risk – AMEPL'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. Nevertheless, the company's healthy coverage metrics mitigate the risk of any adverse increase in operating expenses to an extent.

Liquidity position: Adequate

AMEPL's liquidity position is adequate with cash flow from operations expected to be sufficient to meet the debt servicing obligations (P+I) of around Rs. 75.2 crore in FY2027. Its liquidity position is supported by the availability of DSRA of Rs. 42.86 crore, which is equivalent to six months of debt servicing obligations and free cash balances of Rs. 87.80 crore as on April 12, 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 special purpose vehicle 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 come under pressure if there is any non-adherence or dilution to the debt structure.

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

AMEPL was formed in April 2018 by the Ashoka Group to undertake eight-laning of Vadodara Kim Expressway (Ankleshwar to Manubar section of Vadodara Mumbai Expressway) from km. 279.0 to km. 292.0, in Gujarat, on HAM basis. ECPL acquired 100% stake in AMEPL in September 2025. The construction and operations period for the project is 2.5 years and 15 years, respectively. The CA was signed on May 11, 2018, with an appointed date on December 10, 2018. The annuity and interest on the outstanding annuities will be received on a semi-annual basis, along with O&M receipts. The first-year O&M receipt of Rs. 2.6 crore is to be adjusted for inflation from the bid date. The company has achieved provisional completion certificate on March 31, 2022 and received the final completion certificate on April 02, 2024 for the project length of 11.25 km.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	119.3	106.8
PAT	43.4	47.8
OPBDIT/OI	85.2%	89.6%
PAT/OI	36.4%	44.8%
Total outside liabilities/Tangible net worth (times)	1.8	1.4
Total debt/OPBDIT (times)	5.3	5.2
Interest coverage (times)	2.0	2.2

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

AMEPL 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 rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**May 12, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund-based-Term loan	Long Term	457.76	[ICRA]AAA (Stable)	Sept 19, 2025	[ICRA]AAA; Rating Watch with Developing Implications	Sept 17, 2024	[ICRA]AAA (Stable)	Mar 26, 2024	[ICRA]AA (Positive)
			-	-	-	Jan 10, 2025	[ICRA]AAA; Rating Watch with Developing Implications	-	-

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 Mutal 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

Sr. No.	Activity Name	FSR
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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Term loan**	Oct 2018	NA	April 2035	457.76	[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 22 6169 3358
ashish.modani@icraindia.com

Suprio Banerjee
+91 22 6114 3443
supriob@icraindia.com

M Rajashekar Reddy
+91 40 6939 6423
m.rajashekarreddy@icraindia.com

Vamshi Kinnera
+91 40 6939 6420
vamshi.kinnera@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

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

info@icraindia.com

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For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches