May 29, 2026

Anantam Highways Trust: Provisional rating assigned for proposed term loan, rating reaffirmed for existing term loan

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term loan	2,157.09	1,943.09	[ICRA]AAA (Stable); reaffirmed
Proposed long-term – Fund-based – Term loan^	-	2,342.91	Provisional [ICRA]AAA (Stable); assigned
Total	**2,157.09**	**4,286.00**	

Rating in the absence of pending actions/documents	Not meaningful

**Instrument details are provided in Annexure-II*

^The rating to be assigned is provisional as of now and is subject to the fulfilment and review of all pending actions/documentation. The final rating may differ from the provisional rating in case the completed actions/documentation is not in line with ICRA's expectations.

ICRA has undertaken a consolidated financial analysis of Anantam Highways Trust (AHT/the Trust/ the InvIT) and its thirteen underlying special purpose vehicles (SPVs), of which, six are in the process of transfer to InVIT. All the assets are under the National Highway Authority of India's (NHAI) concession framework under hybrid annuity model (HAM). The seven assets that are already a part of the Trust are Dodaballapur Hoskote Highways Private Limited (DHHL), Repallewada Highways Limited (RHL), Narenpur Purnea Highways Limited (NPHL), Dhrol Bhadra Highways Limited (DBHL), Bangalore Malur Highways Limited (BMHL), Malur Bangarpet Highways Limited (MBHL) and Villupuram Highways Limited (VHL). The six assets in the process of transfer are Bethamangala Expressway Private Limited (BEPL), Katra Expressway Private Limited (KEPL), DAK Package 1 Expressway Private Limited (DEPPL), Raipur-Visakhapatnam-Cg-2 Highways Limited (RVHL), Bangarupalem Gudipala Highways Limited (BGHL), Poondiyankuppam Highways Limited (PHL). All the assets are operational, and five out of thirteen assets have already achieved the final commercial operations date (COD). The remaining eight assets are yet to receive the final COD, pending certification from the authority/de-scoping approval from the authority.

ICRA notes that AHT would acquire the aforementioned six assets largely through issuance of units as consideration. The InvIT would raise debt of less than Rs. 2,500 crore for refinancing the existing external debt at the six SPV level.

Rationale

ICRA has assigned a provisional rating to the bank facilities of AHT at [ICRA]AAA (Stable), with the expectation that the six proposed assets shall be transferred to the Trust in the near term. The reaffirmation of rating favourably factors in the steady revenue profile, supported by the inherent benefit of HAM projects with a strong counterparty, i.e., National Highways Authority of India (NHAI, rated [ICRA]AAA (Stable)), the operational nature of the asset portfolio having a track record of receiving at least one annuity and its robust debt coverage metrics with an estimated cumulative debt servicing coverage ratio (DSCR) above 1.65 times as per ICRA's base case assumptions. The rating also factors in structural features like maintenance of a three month debt service reserve account (DSRA) throughout the loan tenure, major maintenance (MM) reserve/liquidity buffer and a tail period of more than two years. The rating further draws comfort from SEBI's InvIT regulations that restrict the leverage (including aggregate consolidated borrowings and deferred payments for the InvIT and its SPVs) at the Trust level. Despite the expected second tranche of assets addition, its leverage i.e., net debt to enterprise value (LTV) is likely to remain below the regulatory stipulation of 49%.

The assets have a track record of timely receipt of annuities without any material deductions[1]. The asset portfolio remains fairly diversified with no asset contributing more than 12% of the total inflows in FY2027P for the InvIT. The rating positively factors in the benefits of cash flow pooling for the SPVs and the Trust, which ensures that the cash flows of all the SPVs are available for meeting the regular and periodic maintenance expenses and debt servicing of the Trust. The rating considers the robust cash flow cover, with sufficient cushion, which will be maintained at the InvIT level to fund any shortfall arising from delays in annuity payments.

Notwithstanding these strengths, the Trust's credit profile remains exposed to risks inherent in HAM projects related to the potential risk of delayed receipt and deductions of annuities. Any material delay/deduction in annuities, higher outflows on account of inadequate operations and maintenance (O&M) activities could have an adverse impact on the cash flows and resultant debt coverage indicators and, thus, will remain a key monitorable. However, the existing SPVs have a fixed-price O&M and MM contract for the entire concession period with Dilip Buildcon Limited (DBL)[2] for carrying out O&M activities, which mitigates the risk to an extent. Further, the Trust is expected to enter into a similar O&M and MM contract with DBL for the proposed six SPVs. The company would maintain MM reserve/liquidity buffer equivalent to one quarter of expense before making distribution to unit holders, and hence the SPV's ability to maintain adequate liquidity cushion to undertake the MM activity, in a timely manner and under the budgeted cost, over the concession periods remain critical from the credit perspective.

ICRA notes that AHT, like any other InvIT, remains exposed to the risks associated with any further asset acquisition, which could materially impact its operational and financial risk profile. If the InvIT acquires any other asset or raises additional debt in future, ICRA will at that juncture, evaluate the effect of the same on the rating. Any regulatory changes that can affect its financial risk profile will remain a monitorable. Further, the cash flows are exposed to interest rate risk, given the floating nature of interest rates of the project loan.

The Stable outlook on the rating reflects ICRA's expectations that the Trust will benefit from the regular annuity receipts without any material delays or deductions, robust debt coverage metrics and moderate leverage profile.

Key rating drivers and their description

Credit strengths

Operational nature of asset portfolio; low counterparty risk – The portfolio will comprise thirteen HAM assets, all of which have an operational track record of receiving at least one annuity. The asset portfolio remains fairly diversified with no asset contributing more than 12% of the total inflows in FY2027P for the InvIT. The top three assets viz., NPHL, MBHL and PHL are estimated to account for nearly 29% of the total inflows in FY2027P. The counterparty for all the assets is the NHAI, which reduces the counterparty risk. The payments from the NHAI (annuity, interest on annuity and O&M payments) for the assets have been received without any material deduction with an average delay of less than 5 days adjusted for grace period of 15 days, for majority of the assets.

Strong cash flow cover and other structural features provide comfort – The InvIT has a robust cash flow cover, with projected cumulative DSCR of more than 1.65 times in ICRA's base case assumptions. The leverage as measured by net debt to enterprise value (LTV) has remained comfortable at around 42% as on March 31, 2026, based on the Trust's disclosure. ICRA expects the leverage to remain below 49% as prescribed under the SEBI's InvIT regulations. The rating takes comfort from the structural features, including maintenance of a three months' DSRA, MM reserve/liquidity buffer and a tail period of more than two

[1] RHL, which contributes to ~7% of the total inflows in FY2027P, witnessed ~17% deduction from its first annuity against damages pertaining to the construction period, and not with regards to O&M. The Company has filed a claim for recovery of the same with the authority. Further, there is ~12% retention from 5th annuity pertaining to statutory amounts which is expected to be released soon. Similar deduction from 4th annuity was received subsequently. There are no deductions from 2nd and 3rd annuity. DEPPL, contributes to ~8% of the total inflows in FY2027P, witnessed ~13% retention from 3rd annuity pertaining to statutory amounts which is expected to be released soon.

[2] DBL has an established track record of more than three decades in operating and maintaining similar road stretches.

years. Further, sufficient liquidity will be maintained at the InvIT level to fund any shortfall arising from delays in annuity payments, providing cushion.

Cash pooling benefit of InvIT and regulatory cap on consolidated leverage – The InvIT benefits from the cash flow pooling for the SPVs and the Trust, which ensures that the pooled cash flows are available for meeting the regular and periodic maintenance expenses and debt servicing of the InvIT. Additionally, SEBI's InvIT regulations restrict the leverage (including aggregate consolidated borrowings and deferred payments for the InvIT and its SPVs) at the Trust level. The leverage is expected to remain below 49% of net debt to enterprise value (LTV), thereby supporting AHT's credit profile.

Credit challenges

Risks inherent in annuity projects; **undertaking regular and periodic maintenance/capex within budgeted cost** – The rating remains constrained by risks inherent in HAM projects related to the risk of delayed receipt and deductions of annuities. Any material delay/deduction in annuities, higher outflows on account of O&M activities could have an adverse impact on the cash flows and resultant debt coverage indicators and, thus, will remain a key monitorable. However, all the existing SPVs have entered a fixed-price O&M and MM contract for the entire concession period with DBL for carrying out O&M activities, which mitigates the risk to an extent. Further, the Trust is expected to enter a similar O&M and MM contract with DBL for the proposed six SPVs. The company would maintain MM reserve/liquidity buffer equivalent to one quarter of expense before making distribution to unit holders Hence, the SPV's ability to maintain adequate liquidity cushion to undertake the MM activity, in a timely manner and under the budgeted cost, over the concession periods remain critical from the credit perspective. The cash flows are exposed to interest rate risk, given the floating nature of interest rates of the project loan. Nevertheless, the Trust's robust coverage metrics mitigate the risk of deductions or increase in interest rate to an extent.

Risk of future asset acquisition by the Trust and its funding pattern – The Trust may acquire additional projects in future, which could have a material impact on its operational and financial risk profile. However, ICRA draws comfort from the Trust's strategy that the new asset acquisition will be funded such that the overall leverage and debt coverage metrics remain comfortable. Nevertheless, if the Trust acquires any other asset or raises any additional debt in future impacting its leverage and coverage metrics, ICRA will at that juncture evaluate the impact of the same on the rating.

Liquidity position: Adequate

The liquidity position is adequate with free cash flows from operations expected to be sufficient to meet the debt servicing obligations in the medium term. As on March 31, 2026, AHT has free cash and bank balance of around Rs. 207 crore and DSRA of Rs. 102.1 crore, equivalent to three months of debt servicing obligations is being maintained. Other than committed reserve as per the debt structure, the InvIT is anticipated to have sufficient liquidity, which is available for operational and various obligations of the Trust, thereby providing adequate cushion in case of some delay in annuity payment by the authority.

Rating sensitivities

Positive factors – Not Applicable.

Negative factors – Negative pressure on AHT's rating could arise if debt-funded acquisitions result in a significant increase in leverage (loan-to-value, ratio of net debt to the asset value at consolidated level) and moderation in coverage metrics. The rating may be downgraded if there are significant delays or deductions in annuity payments, or non-adherence/moderation in debt structure, or deterioration in credit profile of annuity provider results in weakening in business position and moderation in its debt service coverage ratio. Specific credit metrics that would lead to a downgrade will include cumulative DSCR falling below 1.4 times.

Analytical approach

Analytical approach	Comments
Applicable Rating Methodologies	[Corporate Credit Rating Methodology](#)

Analytical approach	Comments
	Rating Methodology for Infrastructure Investment Trusts (InvITs) Rating Methodology for - Roads - Hybrid Annuity Policy on Provisional Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	The rating is based on the consolidated financial analysis of AHT and its thirteen underlying SPVs (list of entities given below)

Pending actions/documents required to be completed for conversion of provisional rating into final

The assigned rating is provisional and would be converted into final upon:

1. Completion of the proposed acquisition of six SPVs by the InvIT
2. Refinancing of the existing debt at underlying SPV with the proposed debt at InvIT level
3. Issuance of final term sheet/sanction letter/common loan agreement of the proposed debt

Validity of the provisional rating

In case the borrowing facility for which a provisional rating has been assigned is subsequently issued, the provisional rating would have to be converted into a final rating within 90 days (validity period) from the date of availing the borrowing facilities. If considered appropriate, the validity period may be extended by a further 90 days for converting the provisional rating into final, in circumstances where the rated entity expressly indicates its intention to complete the pending actions/documents over the near term. Under no circumstances shall the validity period be extended beyond 180 days from the date of issuance. For further details, refer to ICRA's Policy on Provisional Ratings available at www.icra.in.

If neither the pending actions/documents nor the issuance is completed after one year of the assignment of the provisional rating, ICRA would withdraw the provisional rating. However, the validity period may be extended beyond one year, subject to the conditions outlined in ICRA's Policy on Provisional Ratings available at www.icra.in.

Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed by the entity within 90 days (validity period) from the date of issuance, the provisional rating will be converted into final upon the review of the required actions/documents to the extent these are completed by the end of the validity period. This implies that the provisional rating may even be revised at the end of the validity period, while being converted into final, to a level commensurate with the rating in the absence of the pending actions/documents (as disclosed earlier in the rationale). ICRA may consider extending the validity period in accordance with its Policy on Provisional Ratings available at www.icra.in.

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the rating, the provisional rating will be withdrawn in accordance with ICRA's Policy on Provisional Ratings available at www.icra.in.

About the Trust

Anantam Highways Trust (AHT) is registered as an irrevocable trust under the Indian Trust Act, 1882, and as an InvIT under the SEBI Infrastructure Investment Trust Regulations, 2014, SEBI Regn No: IN/InvIT/24-25/0031 since August 19, 2024. Alpha Alternatives Fund-Infra Advisors Private Limited is the investment manager of the InvIT and Alpha Alternatives Fund Advisors LLP is the sponsor. The InvIT listed its units on the NSE and the BSE on October 16, 2025. At present, the Trust comprises seven NHAI HAM assets. It is in the process of acquiring additional six NHAI HAM assets.

Key financial indicators (audited)

AHT – Consolidated	FY2026
Operating income (Rs. crore)	313.1
PAT (Rs. crore)	195.5
OPBDIT/OI (%)	86.2%
PAT/OI (%)	62.4%
Total outside liabilities/Tangible net worth (times)	1.0
Total debt/OPBDIT (times)	7.8
Interest coverage (times)	3.0

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

Note: 1. Company follows IndAS and the key financial ratios are not representative of actual cash flows

2. FY2025 figures are excluded as AHT started operations from Q3 FY2026

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)	May 29, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term loan	Long-term	1,943.09	[ICRA]AAA (Stable)	Jan 07, 2026	[ICRA]AAA (Stable)	Mar 25, 2025	Provisional [ICRA]AAA (Stable)	-	-
Proposed term loan	Long-term	2,342.91	Provisional [ICRA]AAA (Stable)	-	-	-	-	-	-
Term loan	Long-term	-	-	Jan 07, 2026	Provisional [ICRA]AAA (Stable); withdrawn	-	-	-	-

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 February 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
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 instrument

Instrument	Complexity Indicator
Long-term fund-based – Term loan	Simple
Proposed 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, is 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 2025	NA	Dec 2037	1,943.09	[ICRA]AAA(Stable)
NA	Proposed Term loan	NA	NA	NA	2,342.91	Provisional [ICRA]AAA (Stable)

Source: AHT

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis

Company name	Consolidation approach
Dodaballapur Hoskote Highways Limited (DHHL)	Full consolidation
Repallewada Highways Limited (RHL)	Full consolidation
Narenpur Purnea Highways Limited (NPHL)	Full consolidation
Dhrol Bhadra Highways Limited (DBHL)	Full consolidation
Bangalore Malur Highways Limited (BMHL)	Full consolidation
Malur Bangarpet Highways Limited (MBHL)	Full consolidation
Villupuram Highways Limited (VHL)	Full consolidation
Bethamangala Expressway Private Limited (BEPL)*	Full consolidation
Katra Expressway Private Limited (KEPL)*	Full consolidation
DAK Package 1 Expressway Private Limited (DEPPL)*	Full consolidation
Raipur-Visakhapatnam-Cg-2 Highways Limited (RVHL)*	Full consolidation
Bangarupalem Gudipala Highways Limited (BGHL)*	Full consolidation
Poondiyankuppam Highways Limited (PHL)*	Full consolidation

*Source: AHT; *proposed to be acquired*

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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.

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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