November 18, 2026

Galaxy Investments II Pte Ltd: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Issuer rating	0.00	0.00	[ICRA]AA (Stable); reaffirmed	-^
Total	**0.00**	**0.00**		

**Instrument details are provided in Annexure I*

^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

#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

Rationale

The rating reaffirmation for Galaxy Investments II Pte Ltd (GIPL) favourably considers the demonstrated steady cash inflows and expected continuation of the same in the form of distribution income from its investee company – Vertis Infrastructure Trust (VIT, formerly known as Highways Infrastructure Trust), with a portfolio of 28 operational road projects [11 build-operate-transfer (BOT) toll, 1 toll-operate-transfer (TOT), 1 annuity and 15 hybrid annuity model (HAM)]. This is supported by the regulatory prescription by the Security & Exchange Board of India (SEBI) regarding InvITs, which requires at least 90% of the net distributable cash flows to be distributed to unitholders of an infrastructure investment trust (InvIT). The rating considers GIPL's strong financial flexibility from being affiliated with funds, vehicles and/or entities managed and/or advised by Kohlberg Kravis Roberts & Co. L.P and/or its affiliates (KKR), and benefits from KKR's established track record in managing such investments in diverse sectors across the globe.

GIPL's borrowings remain exposed to refinancing risk, with a bullet repayment due in May 2028. In H2 CY2025, the company prepaid USD 35 million of external borrowings from the proceeds realised from the sale of a part of its units held in VIT. Subsequently, the company has utilised the distribution income from VIT towards servicing the interest obligations on its external debt and making prepayments. As on September 30, 2026, the external borrowings stood at USD 58.5 million. Its ability to refinance its debt in a timely manner remains crucial from the credit perspective. However, the company's strong financial flexibility along with moderate leverage (external debt/market value of investments of ~27% as on June 30, 2026), coupled with the stated policy of no incremental borrowings provides comfort. GIPL has hedged the variable interest rate and foreign currency risks associated with its external borrowings through interest rate swaps and forward cover, thereby mitigating these risks to an extent. Further, since VIT is GIPL's sole investment, the latter's credit profile is constrained by the limited diversification of its revenue streams, although the same is mitigated by VIT's strong credit profile.

The Stable outlook reflects the strong profile of the investee entity, VIT, the stable distribution income expected to be generated from VIT, and the management and financial oversight that GIPL enjoys by virtue of its affiliation with funds, vehicles and/or entities managed and/or advised by KKR.

Key rating drivers and their description

Credit strengths

Strong parentage and financial flexibility from being a part of KKR – GIPL is affiliated with funds, vehicles and/or entities managed and/or advised by KKR, which has a long track record of managing investments in diverse sectors across the globe.

As such, the company benefits from the strong financial flexibility from being affiliated with funds, vehicles and/or entities managed and/or advised by KKR, providing comfort as to its ability to refinance/repay its variable-rate external borrowings which are to be repaid through bullet payment in CY2028.

Stable income in form of distributions from VIT – As on June 30, 2026, GIPL's stake in VIT stood at 13.95%. ICRA expects it to receive stable distribution income from the latter, which will be sufficient to meet its operational and interest expenses. ICRA derives comfort from VIT's strong business and financial profiles. As on June 30, 2026, VIT's sizeable project portfolio of 28 operational road assets provided diversification benefits. The trust's toll assets have a long average operational history of 14.8 years, while the HAM assets have received seven annuities on average (in a timely manner and with minimal deductions) from the National Highways Authority of India (NHAI, [ICRA]AAA (Stable)). Further, the InvIT's LTV of 40.7% (as on June 30, 2026) provide headroom for debt-funded growth, which is supported by the track record of seventeen distributions, enabling it to raise its leverage level as per the SEBI's InvIT Regulations.

Credit challenges

Exposed to refinancing risk – GIPL's borrowings remain exposed to refinancing risk, with a bullet repayment due in May 2028. In H2 CY2025, the company prepaid USD 35 million of external borrowings from the proceeds realised from the sale of a part of its units held in VIT. Subsequently, the company has utilised the distribution income from VIT towards servicing the interest obligations on its external debt and making prepayments. As on September 30, 2026, external borrowings stood at USD 58.5 million. Its ability to refinance its debt in a timely manner remains crucial from the credit perspective. However, the company's strong financial flexibility, along with moderate leverage (external debt/market value of investments of ~27% as on June 30, 2026) provides comfort. GIPL has hedged the variable interest rate and foreign currency risks associated with its external borrowings through interest rate swaps and forward cover, thereby mitigating these risks to an extent.

Limited diversification of revenue streams – VIT represents GIPL's sole investment. As such, it faces risks arising from revenues being exposed to the cash flows from VIT. However, this is mitigated by VIT's strong credit profile.

Liquidity position: Adequate

The distribution from VIT is expected to be sufficient to meet interest and operational expenses. The external loan (reduced to USD 58.5 million as of September 2026) has a bullet repayment in CY2028 (following prepayments in CY2025 funded from the proceeds of partial liquidation of VIT units), which may be refinanced in a timely manner, given the company's strong financial flexibility, or repaid from the proceeds of a sale of stake in VIT. Further, GIPL's liquidity position is supported by its policy of maintaining adequate buffers (one quarter interest expense) for meeting near-term debt obligations.

Rating sensitivities

Positive factors – The rating could be upgraded if there is sustained and significantly higher distribution income from VIT, while maintaining comfortable debt/market value of investments.

Negative factors – The rating could witness a downward revision in case of weakening credit profile of VIT or significantly lower-than-anticipated distribution from VIT, or through a material increase in leverage resulting in a weakening of debt protection metrics on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Investment Companies Infrastructure Investment Trusts (InvITs) Roads - Annuity Roads - Hybrid Annuity Roads - BOT Toll
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the standalone financials of GIPL.

About the company

Galaxy Investments II Pte Ltd, incorporated on June 11, 2021, is a Singapore-based entity and is principally involved in investment activities with the objective of earning long-term capital appreciation. GIPL is a 100% subsidiary of Galaxy Investments Pte Ltd, which is majority owned and controlled by KKR Asia Pacific Infrastructure Holdings Pte Ltd. Its sole investment as sponsor is in Vertis Infrastructure Trust (previously known as the Highway Infrastructure Trust).

Key financial indicators (audited)

GIPL (Standalone)	CY2024	CY2025
Operating income (in USD million)	68.6	23.3
PAT (in USD million)	26.2	103.0
OPBDIT/OI (%)	96.0%	72.6%
PAT/OI (%)	38.1%	442.9%
Total outside liabilities/Tangible net worth (times)	1.0	1.6
Total debt/OPBDIT (times)	3.0	8.4
Interest coverage (times)	12.8	2.4

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Total debt and TOL include USD 78.3 million interest free loans from GIPL's immediate holding company – Galaxy Investments Pte Ltd*

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)	FY2027		FY2026		FY2025		FY2024	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long-term	-	Nov 18, 2026	**[ICRA]AA (Stable)**	August 12, 2025	[ICRA]AA (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	Not applicable

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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
NA	**Issuer rating**	NA	NA	NA	0.00	[ICRA]AA (Stable)	-^

Source: Company

^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

#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

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Anupama Reddy
+91 40 6939 6427
anupama.reddy@icraindia.com

Mrinal Jain
+91 124 4545 863
mrinal.j@icraindia.com

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

Anirudh Goel
+91 22 6169 3300
anirudh.goel@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

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.

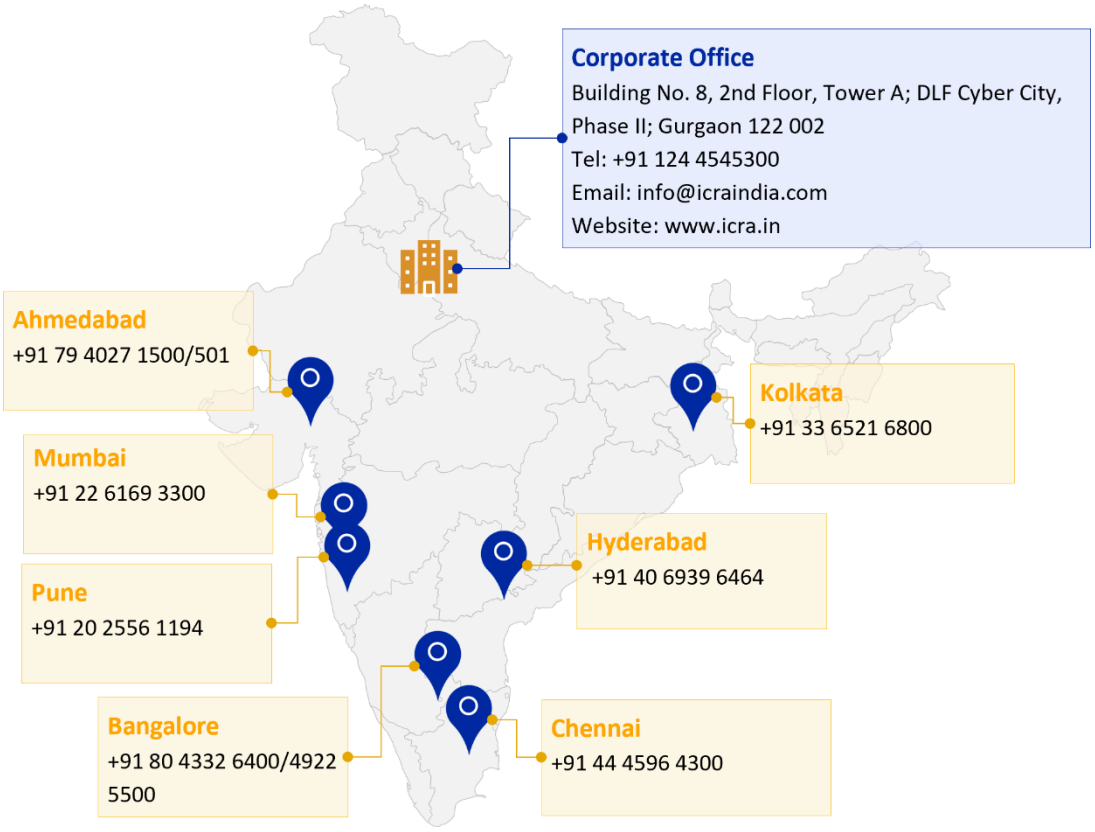
For more information, visit www.icra.in

ICRA Limited

Registered Office

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

Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.