Keti Sangam Infrastructure (India) Limited

November 27, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	162.78 (Reduced from 211.78)	CARE AA-; Stable	Upgraded from CARE A+; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in the rating assigned to the long-term bank facilities of Keti Sangam Infrastructure (India) Limited (KSIIL) considers substantial prepayment of debt, resulting in improvement in debt coverage indicators and meaningful progress in the ongoing major maintenance (MM) activity. With a total prepayment of ₹68.49 crore in FY25 (FY refers to April 01 to March 31) and H1FY26, the debt coverage indicators have strengthened, which combined with a longer tail period of five years, provides credit strength.

The rating also reflects KSIIL's operational track record of over 16 years in toll collection, stable toll collection, favourable project location, presence of a debt service reserve account (DSRA) equivalent to one quarter of debt servicing, and sponsor's extensive experience in toll operations. Availability of undisbursed debt of ₹60 crore for ongoing MM provides liquidity cushion.

However, the rating remains constrained by inherent traffic risk in toll road projects, regulatory risk as it is a state toll road, operations and maintenance (O&M) risk, and interest rate risk.

CARE Ratings Limited (CareEdge Ratings) expects KSIIL to maintain healthy debt service coverage ratio (DSCR) over the tenor, supported by stable toll collections and absence of significant incremental debt.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained and significant increase in toll collection.

Negative factors

- Lower-than-envisaged toll hike.
- Incremental debt or decline in toll collection reducing average DSCR below 2x.
- Higher-than-envisaged O&M or MM costs weakening debt coverage indicators below 2x.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation of steady toll revenue and adequate debt coverage indicators over the medium term.

Detailed description of key rating drivers:

Key strengths

Operational status of the project with healthy toll collection in FY25

KSIIL achieved provisional commercial operations date (PCOD) on March 02, 2009, and has an operational track record of over 16 years. In FY25, toll collection grew by 4% year-on-year (y-o-y) to ₹103.35 crore (average daily toll collection [ADTC]: ₹28.32 lakh) compared to ₹99.32 crore in FY24 (ADTC: ₹27.21 lakh), driven by higher traffic. In the first five months of FY26 (April–August), toll collection stood at ₹43.31 crore (ADTC: ₹28.31 lakh).

CareEdge Ratings expects toll collections to remain stable in FY26, supported by sustained traffic growth and periodic toll hikes going forward.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Comfortable debt coverage indicators and presence of DSRA
Project leverage remained comfortable with debt/toll collection of 1.66x against a balance concession tenure of ~12 years, supporting healthy debt service coverage. By August 2025, KSIIL prepaid ₹134 crore from project surplus, further strengthening coverage indicators. The project has a tail period of ~5 years. DSRA of ₹11.86 crore is maintained in lien-marked fixed deposits, equivalent to three months of debt servicing.

CareEdge Ratings expects DSCR to remain above 2x over the medium term, aided by stable toll revenue and absence of significant incremental debt.

Favourable project stretch, resulting in demand prospects
The project stretch lies along Ahmednagar–Aurangabad Road (SH-60) from Vadala to Aurangabad Road (Km 162.00–Km 224.600) in Maharashtra. It starts at Vadala (~43 km before Aurangabad), passes through Newasa Phata, and ends at Waluj (~13 km before Aurangabad). Traffic in FY25 was dominated by commercial vehicles. The corridor serves major industrial and agricultural hubs, facilitating movement of engineering goods, food materials, fruits, and vegetables.

Traffic demand is expected to remain healthy over the medium term, supported by industrial activity in Aurangabad and surrounding regions.

Established track record of the sponsor
Kalyan Toll Infrastructure Limited (KTIL; rated 'CARE A+: Stable / CARE A1') has over two decades of experience in road construction, with timely execution and minimal cost overruns. In FY24, KTIL diversified into projects in Uttar Pradesh and building construction to reduce geographical and sectoral concentration. It operates an asset-light model with moderate equipment fleet and subcontracting of non-core work, resulting in low term debt and better cash flow cushion.

Diversification into building projects and new geographies is expected to support KTIL's revenue stability over the medium term.

Key weaknesses

Inherent revenue risk considering toll based revenue model
For any toll project, there is an inherent risk associated with the sustainability and growth of traffic. Since revenue depends on the traffic that plies on the stretch, the company is exposed to uncertainties regarding the revenue.

Regulatory risk associated with state highway project
Regulatory risk persists as the project is a part of a state highway. Government of Maharashtra (GoM) has exempted car tolls since 2018, with compensation through a 20% toll hike every three years for commercial vehicles.

Inherent O&M and interest rate risk
The entire maintenance activity for the project is undertaken by an in-house team of KTIL. KSIIL faces inherent O&M and MM risk, partly mitigated by debt tied up for the first cycle of MM expense scheduled in FY25-26. The company faces interest rate risk as the entire debt comprises term loans with floating interest rates. The ongoing MM is being executed by KTIL in line with the existing O&M agreement between the special purpose vehicle (SPV) and the parent. No cash outflow from KSIIL is envisaged for this MM. Per management, MM completion stood at 70% as on October 31, 2025, with the balance work expected to be completed by year-end.

Liquidity: Strong

KSIIL's liquidity position is strong, supported by healthy toll collection against repayment obligations. DSRA of ₹11.86 crore, equivalent to one quarter of debt servicing, is maintained in fixed deposits as on August 31, 2025. Undisbursed debt of ₹60 crore provides additional cushion for MM completion.

Liquidity is expected to remain strong over the medium term, aided by stable toll revenue and availability of undisbursed debt for MM.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Toll Road Projects

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport infrastructure	Road assets–toll, annuity, hybrid-annuity

KSIIL was incorporated on December 21, 2006, as an SPV by KTIL. KSIIL has entered a 24 year 8 months and 27 days concession agreement including construction period of two years with the Public Works Department, Government of Maharashtra (MPWD) for four-laning of Ahmednagar Aurangabad Road SH-60 section Vadala to Aurangabad Road (BOT) Project in Maharashtra. The concession agreement was signed on March 15, 2007, at a project cost of ₹291.95 crore, funded through term debt of ₹200 crore and equity contribution of ₹91.95 crore. KSIIL achieved commercial operations date on March 02, 2009, and commenced toll collection thereafter.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov)
Total operating income	99.32	103.35
PBILDT	83.67	89.04
PAT	39.47	50.12
Overall gearing (times)	1.37	0.68
Interest coverage (times)	4.30	6.27

A: Audited P: Provisional; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Term Loan-Long Term		-	-	30-09-2034	162.78	CARE AA-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	-	-	-	-	-	1)Withdrawn (23-Jun-22) 2)CARE A- (CE); Stable (05-Apr-22)
2	Term Loan-Long Term	LT	-	-	-	-	-	1)Withdrawn (23-Jun-22) 2)CARE BBB; Stable (05-Apr-22)
3	Unsupported Rating-Unsupported Rating (Long Term)	LT	-	-	-	-	-	1)Withdrawn (23-Jun-22) 2)CARE BBB (05-Apr-22)
4	Term Loan-Long Term	LT	162.78	CARE AA-; Stable	-	1)CARE A+; Stable (28-Sep-24)	1)CARE A; Stable (22-Sep-23)	1)CARE A- (CE); Stable (23-Jun-22)
5	Unsupported Rating-Unsupported Rating (Long Term)	LT	-	-	-	-	1)Withdrawn (22-Sep-23)	1)CARE BBB (23-Jun-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here]

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	**Analytical Contacts** Rajashree Murkute Senior Director **CARE Ratings Limited** Phone: 022-6837 4474 E-mail: Rajashree.murkute@careedge.in Maulesh Desai Director **CARE Ratings Limited** Phone: 079-4026 5605 E-mail: maulesh.desai@careedge.in Setu Gajjar Associate Director **CARE Ratings Limited** Phone: 079-4026 5615 E-mail: setu.gajjar@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information, please visit www.careratings.com