

## RKC Infrabuilt (Ganjad-Talasari) Road Project Private Limited

January 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	600.00	CARE AA; Positive	Assigned
Long Term Bank Facilities	-	-	Withdrawn*

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating assigned to the bank facilities of RKC Infrabuilt (Ganjad-Talasari) Road Project Private Limited (RKC-GT) primarily factors in operational status of the project with receipt of Provisional commercial operation date (PCOD) for entire length along with track record of receipt of two annuities from National Highways Authority of India (NHAI) in a timely manner. The balance completion work has been completed, thereby eliminating residual construction risk. RKC-GT has applied for issuance of final completion certificate, which is awaited from the authority. Furthermore, RKC-GT has created requisite debt service reserve account (DSRA) in line with the availed debt, equivalent to six months of debt obligations. Positive outlook reflects expectation of receipt of final completion certificate and receipt of change in law on construction and O&M annuities.

The rating continues to draw strength from the inherent features of the hybrid annuity model (HAM)-based road projects, such as lower post-implementation risk due to inflation-indexed annuity payments for operations and maintenance (O&M) and bank rate-linked interest annuity. The rating remains underpinned by low counterparty risk, given that annuity receivables are from NHAI (rated CARE AAA; Stable), and the presence of a tail period of three annuities. The debt coverage metrics are envisaged to remain strong, supported by low leverage and a ~70-day buffer between annuity receipt and debt repayment dates, which provides a cushion against short-term timing mismatches.

The rating, however, is tempered on account of inherent operations and maintenance (O&M) associated with the project along with inherent interest rate risk.

RKC Infrabuilt (Ganjad-Talasari) Road Project Private Limited has refinanced its existing project term debt of ₹511.00 crore availed from Punjab National Bank (PNB) and Bank of Baroda (BoB) by raising a fresh term loan of ₹600.00 crore from Indian Bank. Accordingly, the previously rated term loan ₹511.00 crore has been withdrawn based on No Dues Certificate (NDC) issued by existing term loan lenders, as there was no outstanding amount towards the said facility.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Receipt of the final completion certificate and a track record of timely annuity receipts in full.

#### Negative factors

- Deterioration in the credit profile of the counterparty, National Highways Authority of India (NHAI)
- Non-adherence to sanctioned terms such as non-adherence to escrow mechanism, non-compliance of waterfall mechanism, non-maintenance of requisite reserves, and others.
- Significant delay or deductions in annuity receipts, or higher-than-envisaged operations and maintenance (O&M) or major maintenance (MM) expenses, leading to a debt service coverage ratio (DSCR) below 1.20x on a sustained basis

#### Analytical approach: Standalone

#### Outlook: Positive

A positive outlook is assigned on account of CareEdge Ratings' expectation of receipt of the final completion certificate and subsequent annuities without any deductions in a timely manner. Finalisation of the Goods and Services Tax (GST) change in law on annuities and its receipt is expected to strengthen cash flow visibility.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

## Detailed description of key rating drivers:

### Key strengths

#### Operational status of the project with receipt of two annuities

The project achieved its provisional completion certificate on August 19, 2024. RKC-GT has received its two semi-annual annuities without any delays or deductions from the NHAI. The balance work has been completed, and the company has applied for issuance of the final completion certificate and is awaiting approval from the authority.

#### Cash flow visibility

In the operational phase, the project's cash flow is assured in the form of annuity payments from the NHAI on a semi-annual basis, covering 60% of the project completion cost and interest at bank rate + 300 bps on reducing balance and inflation indexed O&M annuity.

#### Low counterparty credit risk

Incorporated by the Government of India (GoI) under an Act of the Parliament as a statutory body, the NHAI functions as the nodal agency for developing, maintaining, and managing national highways in the country. Outlook on the NHAI reflects the outlook on the sovereign, whose direct and indirect support continues to be the key rating driver.

#### Presence of tail period and adequate cushion between annuity receipt date and debt repayment date

CareEdge Ratings notes that due date of annuities falls on February 19 and August 19, while the debt servicing falls due on April 30 and October 31 thus, providing an adequate gap of ~70 days, which takes care of any operational delays in receipt of annuity. There is a comfortable tail period of three annuities that renders additional financial flexibility.

#### Strong debt coverage indicators

Debt coverage indicators are expected to be strong due to low project leverage, marked by debt/completion cost of 39.08%. Debt coverage indicators are envisaged to remain healthy. The company has refinanced the project loan with fresh debt of ₹600 crore including top-up debt of ₹89, leaving a tail period of ~1.42 years, equivalent to three annuities. Of the sanctioned debt, RKC-GT has availed debt to the tune of ₹216 crore till November 2025 and balance project has been funded through sponsor support.

#### Receipt of change in law considering introduction of the GST Act 2017

With annuity payments being brought under the GST regime, as per NHAI policy circulars, operational HAM projects are eligible to receive a change in law (CIL) payment on the construction annuity and O&M annuity per the rate approved by the authority and will receive the entire GST on interest annuity. The concessionaire will be responsible for depositing the entire GST levy at applicable rates on all three components: construction, O&M, and interest annuity. Hence, finalisation of the GST CIL on annuities and its receipt is expected to strengthen cash flow visibility, which shall be credit neutral.

### Key weaknesses

#### Inherent O&M risk

Although receipt of inflation-indexed O&M annuity partly mitigates O&M risk, developers would still face the risk of a sharp increase in the O&M cost due to higher-than-envisaged wear and tear and aggressive bidding in O&M cost. However, the project stretch is constructed on a rigid pavement basis which is prone to less wear and tear resulting in lower O&M cost and no requirement for periodic major maintenance, there is no requirement of creation of major maintenance reserve account (MMRA) per sanctioned terms. Further, RKC-GT has also entered in a fixed price (including Price Index Multiple [PIM]) and fixed time O&M contract with the sponsor i.e. RKC Infrabuilt Private Limited (RIPL; rated "CARE A; Stable/CARE A1) mitigating the O&M risk to an extent. CareEdge Ratings has considered the project cash flow with O&M and MM assumptions in line with other rated projects and found the debt coverage indicators strong.

#### Inherent interest rate risk

The company is exposed to inherent interest rate risk since the project debt is sanctioned with a floating rate of interest, which is reset periodically. While the risk is partially mitigated considering receipt of interest annuity at the applicable bank rate + 300 bps, the company remains exposed to interest rate risk owing to timing difference between change in the bank rate and lending rate and nonlinear transmission of change in bank rates to lending rates.

**Liquidity: Strong**

The company is envisaged to generate healthy cash flows backed by a steady revenue stream in the form of annuity payments throughout the tenor of the term loan. The company has also maintained liquidity mechanism in the form of DSRA of ₹18.63 crore, equivalent to six months of debt obligations (principal and interest) in line with the stipulated requirement. DSRA has been created in proportion to the debt availed and balance shall be created at the time of availing of balance debt. Besides DSRA, free cash and bank balance stood at ₹0.47 crore as on December 18, 2025.

**Assumptions/Covenants**

Not applicable

**Environment, social, and governance (ESG) risks**

Not applicable

**Applicable criteria**

[Policy on Default Recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Hybrid Annuity Road Projects](#)

[Infrastructure Sector Ratings](#)

[Withdrawal Policy](#)

**About the company and industry****Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Infrastructure	Road Assets–Toll, Annuity, Hybrid-Annuity

Incorporated in October 2020, RKC-GT, a special purpose vehicle (SPV) promoted by RKC Infrabuilt Private Limited (RKC IPL) for construction of an eight-lane access-controlled expressway from Km 77-103.400 (Ganjad to Talasari section of Vadodara-Mumbai Expressway) in Maharashtra on a design, build, finance, operate and transfer (DBFOT) basis under Hybrid Annuity Mode (HAM) as part of Bharatmala Pariyojana (Phase II, Package XI). The project has a concession period of 17 years, including a construction period of 730 days from the appointed date. RKC-GT received the appointed date on May 18, 2022.

The project achieved provisional commercial operation date (PCOD) on August 19, 2024 (as against SCOD of January 06, 2025 - 141 days early completion). Company has applied for final Completion Certificate and is pending for approval at the National Highways Authority of India (NHAI) level.

Particular	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	472.32	340.42
PBILDT	50.18	56.72
PAT	34.07	5.13
Overall gearing (times)	5.63	7.92
Interest coverage (times)	8.92	1.29

A: Audited Note: 'the above results are latest financial results available'

Note: Financials are per IND-AS, where, it has recognised financial assets as present value of annuities receivables under its concession (discounted based on effective interest rate method) and interest income on these assets as it accrues during the year. Hence, these financials are less meaningful.

**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
Fund-based - LT-Term Loan	-	-	-	30-04-2038	600.00	CARE AA; Positive
Term Loan-Long Term	-	-	-	30-06-2036	0.00	Withdrawn

#### 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)CARE AA-; Positive (07-Mar-25)	1)CARE A-; Stable (05-Jan-24)	1)CARE A-; Stable (09-Jan-23)
2	Un Supported Rating-Un Supported Rating (Long Term)	LT	-	-	-	-	-	1)Withdrawn (09-Jan-23)
3	Fund-based - LT-Term Loan	LT	600.00	CARE AA; Positive				

LT: Long 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	Fund-based - LT-Term Loan	Simple
2	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

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