Indus Infra Trust

January 07, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	7,901.52 (Enhanced from 2,958.35)	CARE AAA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the rating of 'CARE AAA; Stable' assigned to proposed and outstanding bank facilities aggregating ₹7,901.52 crore of Indus Infra Trust (Indus InvIT). CareEdge Ratings notes Indus InvIT's announcement on December 25, 2025, regarding signing of binding Share Purchase Agreements (SPAs) for the proposed acquisition of 100% shareholding in four operational Hybrid Annuity Model (HAM) projects from KNR Constructions Limited. Indus InvIT has also completed acquisition of one operational HAM project i.e. GR Bahadurganj Araria Highway Private Limited (GBAHPL) and plans to acquire three more operational HAM projects from G R Infra Projects Limited (GRIL, rated 'CARE AA+; Stable/ CARE A1+') under right of first offer (ROFO) agreement. Provisional commercial operations date (PCOD) has been achieved in all these eight HAM projects, while final completion certificate has been received in two projects. Six of these eight assets have received at least the first annuity. Transaction for acquisition of eight assets will be consummated after receipt of regulatory approvals and fulfilment of conditions precedent under SPA. CareEdge Ratings expects acquisition of these assets gradually over FY26 and FY27 and will fund them through a mix of unit holder infusion and debt quantum of ~₹5,725 crore. CareEdge Ratings will continue to engage with Indus InvIT's management for further details on these developments.

On a consolidated basis, Indus InvIT has outstanding debt of ₹2,240 crore and Enterprise Value of ₹6,063.80 crore (as per external valuation report) as on September 30, 2025, which translates into net debt/enterprise value (EV) of ~20%. With the proposed addition of eight assets, net debt/EV is expected to reach 61%. However, debt coverage indicators of Indus InvIT are expected to remain strong due to low leverage at portfolio level marked by peak debt/construction annuities receivables of 0.51x and strong credit profile of counterparty being National Highways Authority of India (NHAI, rated 'CARE AAA; Stable'). Moreover, the assets will be transferred to Indus InvIT post receipt of at least first annuity, in line with estimation, and there is a provision for holding back an amount in case of deviation in completion cost or Change in Law (CIL) amount per terms of SPA. This mitigates the risk related to variations in cash flows pending final completion certification and annuities receipt track record for some assets.

The rating continues to factor stable cash flows from underlying operational National Highways HAM assets having low leverage and benefit of geographical diversification. Existing ten assets have received 74 annuities till December 31, 2025, without major delays or deductions.

The rating continues to consider the benefit of cash pooling at Indus InvIT level leading to robust cash flows and well-defined waterfall mechanism, including maintenance of debt service reserve account (DSRA) for one-quarter debt servicing requirement imparting strong debt coverage indicators. Per the terms, if in any quarter, the debt service coverage ratio (DSCR) falls below 1.10x, the entire surplus will be trapped in Indus InvIT. CareEdge Ratings also notes receipt of CIL for goods and service tax (GST) on annuities from NHAI and major deviations in the same impacting debt coverage indicator is a key rating monitorable.

These rating strengths are tempered by the inherent operation and maintenance (O&M) and major maintenance (MM) risk associated with road projects and interest rate risk. CareEdge Ratings notes that O&M and MM assumptions factored in by Indus InvIT are based on the independent report. However, debt coverage indicators are expected to be strong even after assuming higher cost in line with similar projects rated by CareEdge Ratings. Existing special purpose vehicles (SPVs) have entered fixed-price O&M and MM contracts with Aadharshila Infratech Private Limited (AIPL: Sponsor and Project Manager; rated 'CARE AA+; Stable') and AIPL has entered back-to-back fixed-price O&M and MM sub-contracts with GRIL. The same arrangement is expected to continue for future assets, which is a credit positive given GRIL's established experience in construction and maintenance of these roads.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

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

Negative factors

- Substantial delay in receipt of annuities or considerable deduction in annuities payments on a sustained basis or higher-than-envisaged O&M and MM expense leading to overall DSCR falling below 1.2x.
- Any significant debt-funded acquisition of assets resulting in deterioration of overall DSCR below 1.2x.
- Non-adherence to terms of sanction such as cash trap, debt service reserve account and others.
- Deterioration in credit profile of counterparty.

Analytical approach: Consolidated

The credit profile of Indus InvIT factors in the consolidated business and financial risk profiles of underlying assets under Indus InvIT. The debt at the Indus InvIT level will be serviced from cash flows, which are up-streamed from the underlying SPVs. The DSCR testing for the restricted payment conditions would be at the Indus InvIT level. Entities consolidated in Indus InvIT for analytical purpose are listed in Annexure-6.

Outlook: Stable

The Stable outlook is considering expectation of stable cash flows from the underlying assets of Indus InvIT having strong counterparty and low leverage.

Detailed description of key rating drivers:

Key strengths

Healthy operational track record of existing underlying assets

Indus InvIT has a portfolio comprising 10 operational HAM projects, including GR Bahadurganj Araria Highways Private Limited (GBAHPL) acquired on December 30, 2025. The 10 underlying assets are diversified across six states: Gujarat, Uttar Pradesh, Maharashtra, Andhra Pradesh, Bihar, and Punjab. The existing ten assets have a track record of receiving 74 annuities from NHAI without delays or deductions till December 31, 2025 These projects also derive benefits from favourable features of HAM projects (1) Inflation-indexed completion cost and O&M annuities and (2) Interest annuities linked to bank rate or one-year marginal cost of funds based lending rate (MCLR) of top five scheduled commercial banks.

The 10 assets have a residual concession period of 9.16 to 13.62 years as on December 31, 2025, providing long-term cash flow visibility to Indus InvIT. Of the acquired 10 assets, 7 assets have received final commercial operations date (COD), while the balance three have received PCOD with minimal residual work. PCOD has been achieved for the entire length in most projects and physical progress is above 95% for these projects. In its analysis, CareEdge Ratings has considered completion cost for the three projects per the completion cost computed at the time of PCOD. CareEdge Ratings understands that balance construction responsibility lies with GR Infra Projects Limited (GRIL) as and when the land is handed over, which mitigates risk to an extent.

Strong credit profile of counterparty

Incorporated by the Government of India (GoI) under an Act of Parliament as a statutory body, NHAI functions as the nodal agency for development, maintenance, and management of national highways in the country. NHAI is vested with executive powers for developing national highways in India by the Ministry of Road Transport and Highways (MoRTH). The outlook on NHAI reflects the outlook on the sovereign, whose direct and indirect support continues to be the key rating driver.

Strong debt coverage indicators and low leverage

Indus InvIT's consolidated cash flow has a robust cover with strong debt coverage indicators owing to low leverage. The debt structure stipulates a DSRA of one quarter and a financial covenant requiring a minimum DSCR of 1.10x. If the DSCR falls below 1.10x in any quarter, the entire surplus will be trapped at Indus InvIT. On a consolidated basis, Indus InvIT has outstanding debt of ₹2,240 crore and Enterprise Value of ₹6,063.80 crore (as per external valuation report) as on September 30, 2025, which translates into net debt/enterprise value (EV) of ~20%. With the proposed addition of eight assets, net debt/EV is expected to reach 61%. However, debt coverage indicators of Indus InvIT are expected to remain strong due to low leverage at portfolio level post-acquisition of assets, marked by peak debt/construction annuities receivables of 0.51x and strong credit profile of the counterparty. Moreover, the assets will be transferred to Indus InvIT upon receipt of at least first annuity per estimation. The acquisition structure provides adequate downside protection to the Trust, as the consideration payable for the proposed assets is subject to customary holdback and adjustment mechanisms. These include adjustments considering finalisation of Change-in-Law claims, including those pertaining to GST, material negative Change of Scope impacting annuity payments, and true-up of the final completion cost for balance works pending at the time of acquisition. Such provisions mitigate the risk of adverse cash flow variations post-acquisition and provide flexibility to Indus InvIT in settling the final consideration.

Sound and resourceful management group
Indus InvIT is backed by the experienced management team of sponsor, Aadharshila Infratech Private Limited (AIPL, rated 'CARE AA+; Stable') and investment manager, GR Highways Investment Manager Private Limited (GRHIMPL). Board of directors of GRHIMPL comprise professionals having vast experience in the field of infrastructure, finance, and funds raising. The management team has a rich experience in sectors including, road and highways sector, and brings expertise in the areas of business strategy, operational, and financial capabilities. In addition, Indus InvIT operations are managed by qualified professionals.

Impact of Goods and Service Tax
With annuity payments brought under the GST regime, operational HAM projects are eligible to receive a Change in Law (CIL) payment on annuities. While GST on interest annuities is being fully released by NHAI, GST on construction annuity and O&M annuity will be received per the approved CIL rate under the extant guidelines laid down by the authority. As of December 2025, the CIL rate has been approved by NHAI for five SPVs in existing portfolio, while finalisation of the CIL rate is under process for balance SPVs. However, the SPVs have sufficient input tax credit (ITC) to discharge their GST obligations until clarity on CIL is received. CareEdge Ratings expects that the applicability of GST is credit neutral for Indus InvIT.

Key weaknesses

Inherent O&M risk largely mitigated by strong cash flows and track record of GRIL
The O&M and MM assumptions factored in by Indus InvIT in its base case are based on an independent report. Riding quality is good based on roughness index. However, debt coverage indicators are expected to be strong even after assuming higher cost in line with similar projects rated by CareEdge Ratings. Existing SPVs have entered fixed-price O&M and MM contracts with AIPL and AIPL has entered back-to-back fixed-price O&M and MM sub-contracts with GRIL with an option to renegotiate the price at the end of seven years. The same arrangement is expected to continue for future assets, which is a credit positive given GRIL's established experience in construction and maintenance of these roads. No major maintenance reserve (MMR) is proposed under the lending documentation, however, cash pooling at Indus InvIT level will help in generating sufficient cashflows to incur the MM expense in the year when it falls due.

Inherent interest rate risk and risk related to acquisition of debt-funded assets in future
Indus InvIT is exposed to inherent interest rate risk as its interest annuities and interest on debt have floating interest rates linked to an external benchmark. Any reduction in the bank rate can impact interest annuities, and an increase in interest rate on term debt can lead to higher interest obligation. Hence, material change in these components could impact debt coverage indicators. However, the risk is mitigated to an extent as the movement in interest rate on term debt and interest on annuities will move in the same direction.

Indus InvIT plans to add operational assets limited to the road sector in the medium term. It has a ROFO agreement with GRIL and is also looking into NHAI-operational HAM projects of other developers. Any acquisition of weak assets with large debt and low revenue potential, significantly reducing DSCR below 1.2x, will be a key rating sensitivity.

Liquidity: Strong
The liquidity position of Indus InvIT is strong marked by fixed stream of revenue and creation of DSRA for one quarter of debt servicing till the tenor of the debt. Indus InvIT had DSRA balance of ₹136.79 crore as on December 31, 2025. Debt structure stipulates financial covenant of minimum DSCR of 1.10x. If in any quarter, the DSCR falls below 1.10x, the entire surplus will be trapped in the Indus InvIT. The term loans will be amortised in a structured quarterly repayment.

Assumptions/Covenants: Not applicable

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

Applicable criteria
Policy on Default Recognition
Liquidity Analysis of Non-financial sector entities
Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Financial Ratios – Non financial Sector
Hybrid Annuity Road Projects
Infrastructure Investment Trusts (InvITs)
Infrastructure Sector Ratings
Consolidation & Combined Approach

About the company and industry

Industry classification

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

Indus InvIT is an infrastructure investment trust and has received its registration certificate from Securities and Exchange Board of India (SEBI) on August 3, 2022. It has acquired 100% of the equity shares in each of the nine project SPVs from GRIL. Indus InvIT is sponsored by AIPL, with GRHIMPL as its investment manager, AIPL as the project manager, and IDBI Trusteeship Services Ltd as the trustee. Indus InvIT was listed on NSE and BSE platform on March 12, 2024.

Brief Consolidated Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	NM	744.60	309.82
PBILDT	NM	631.95	265.01
PAT	NM	481.66	179.93
Overall Gearing (times)	NM	0.44	0.46
Interest coverage (times)	NM	4.90	3.30

A: Audited UA: Unaudited; NA: Not Available; NM: Not meaningful as the InvIT got listed in March 2024; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

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		-	-	31-Mar-2037	7,901.52	CARE AAA; 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	Fund-based - LT-Term Loan	LT	7901.52	CARE AAA; Stable	-	1)CARE AAA; Stable (10-Feb-25) 2)CARE AAA; Stable (05-Apr-24)	1)Provisional CARE AAA; Stable (04-Dec-23)	-

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	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	GR Phagwara Expressway Limited	Full	Wholly owned subsidiary
2	Porbandar Dwarka Expressway Private Limited	Full	Wholly owned subsidiary
3	Varanasi Sangam Expressway Private Limited	Full	Wholly owned subsidiary
4	GR Akkalkot Solapur Highway Private Limited	Full	Wholly owned subsidiary
5	GR Sangli Solapur Highway Private Limited	Full	Wholly owned subsidiary
6	GR Dwarka Devariya Highway Private Limited	Full	Wholly owned subsidiary
7	GR Gundugolanu Devarapalli Highway Private Limited	Full	Wholly owned subsidiary
8	GR Aligarh Kanpur Highway Private Limited	Full	Wholly owned subsidiary
9	GR Galgalia Bahadurganj Highway Private Limited	Full	Wholly owned subsidiary
10	GR Bahadurganj Araria Highway Private Limited	Full	Wholly owned subsidiary
11	KNR Palani Infra Private Limited*	Full	Wholly owned subsidiary
12	KNR Ramagiri Infra Private Limited*	Full	Wholly owned subsidiary
13	KNR Guruvayur Infra Private Limited*	Full	Wholly owned subsidiary
14	KNR Ramanattukara Infra Private Limited*	Full	Wholly owned subsidiary
15	GR Ena Kim Expressway Private Limited*	Full	Wholly owned subsidiary
16	GR Ujjain Badnawar Highway Private Limited*	Full	Wholly owned subsidiary
17	GR Bilaspur Urga Highway Private Limited*	Full	Wholly owned subsidiary

*Proposed to be acquired and considered in cash flows based on SPA signed and ROFO agreement

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.

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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

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