

IRB Invit Fund

March 31, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities [@]	2,501.11 (Reduced from 2,728.18)	CARE AAA; Stable	Reaffirmed
Issuer rating	0.00	CARE AAA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

[@]The rating pertains to debt at the fund level and does not cover the fund's ability to pay envisaged returns to unit holders or debt servicing ability of underlying special purpose vehicles (SPVs) of the trust.

Rationale and key rating drivers

Reaffirmation of ratings assigned to long-term bank facilities and issuer rating of IRB InvIT Fund (IRB InvIT) continues to favourably factor in its diversified portfolio of eight operational toll assets, with an average tolling track record of ~12 years. Ratings also draw comfort from two hybrid annuity model (HAM) projects, which commenced annuity receipts, providing cash flow visibility and stability. The portfolio is spread across seven states with projects under concession with National Highways Authority of India (NHAI; rated CARE AAA; Stable).

The trust acquired three assets in FY26 (FY refers to April 01 to March 31) from the Private InvIT of IRB group; IRB Infrastructure Trust, for a total consideration of ₹8,675 crore. VM7 Expressway Private Limited (rated CARE AA-; Positive) was acquired from the Sponsor IRB Infrastructure Developers Limited (IRBIDL) for ₹1,217 crore. Acquisitions were funded through a mix of debt and equity (via institutional placement and preferential allotment), with the trust raising ~₹10,674 crore. Of the total proceeds, ~₹9,892 crore has been utilised for asset acquisitions, ₹434 crore has been earmarked for major maintenance (MM), and ₹174 crore towards the creation of a debt service reserve account (DSRA). The trust's net leverage stood at ~30% as on March 31, 2025. Following acquisition of new assets, net leverage has increased to ~44% as of December 31, 2025. The leverage profile is expected to remain comfortable, with net debt-to-enterprise value ratio projected to remain below 49%, supported by the trust's portfolio comprising entirely operational road assets.

Toll collections in 9MFY26, registered 11% growth in 9MFY25 (adjusted for newly acquired projects). VK1 Expressway Private Limited (VK1), HAM concessioned by NHAI has received seven annuities in a timely manner till September 2025, whereas the newly acquired HAM project, VM7 Expressway Private Limited (VM7), received its first annuity in December 2025.

Ratings factor in support from pooling cash flows at special purpose vehicle (SPV) level, which ensures availability of cash flows towards debt servicing, routine maintenance expenses and major maintenance at a consolidated level. Ratings also favourably consider significant experience and the established track record of the project manager and sponsor, IRBIDL, and the fixed-price contract for underlying SPVs for meeting operation and maintenance (O&M) and major maintenance and repairs (MMR) requirements.

However, rating strengths are tempered by inherent revenue risk associated with toll-based road projects, exposure to O&M and MM risk, interest rate risk arising from floating rate of interest for outstanding debt. Higher-than-envisaged debt-funded asset acquisition by IRB InvIT without adequate cash flows may have a bearing on debt coverage indicators and thus constitutes a key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

Negative factors

- Significant decline in toll collection or increase in O&M expenses leading to average debt-service coverage ratio (DSCR) falling below 1.75x on a sustained basis.
- Adverse change in capital structure and /or debt coverage indicators due to incremental debt raised.
- Non-adherence of covenants per sanctioned terms.
- Systemic risk or regulatory changes adversely impacting InvIT's credit profile.

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

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered the trust's business and financial risk at a consolidated level. The trust's lenders have a first charge on the fund's escrow account and receivables arising from principal and interest payments of loans by the trust to subsidiaries listed under Annexure 6.

Outlook: Stable

IRB InvIT's business and financial risk profile are expected to remain stable aided by healthy cashflows, comfortable leverage indicators and strong liquidity.

Detailed description of key rating drivers:**Key strengths****Diversified and established track record of InvIT portfolio**

The InvIT comprises eight mature operational toll assets and two HAM assets. Toll projects, covering a length of 4,443 lane km, are geographically diversified, with four road projects forming part of the Golden Quadrilateral. Road assets are spread across Maharashtra, Rajasthan, Karnataka, Tamil Nadu, Uttar Pradesh, Gujarat, Haryana and Punjab and have an average operational track record of ~12 years. This diversification significantly mitigates business risk by reducing reliance on specific regions or projects and mitigating potential impact of unforeseen events in particular regions and projects.

The company reported growth in toll collection by 9% in 9MFY26 to ₹837 crore (excluding the newly acquired assets) compared to ₹771 crore in 9MFY25. Newly acquired projects IRB Hapur Moradabad Tollway Limited (IHMTL) and Kishangarh Gulabpura Tollway Limited (KGTL) have reported healthy toll growth since achieving full commercial operations in July 2022, with toll income registering a compound annual growth rate (CAGR) of 17.75% and 8.62%, respectively, for FY23-FY25. Growth trend continued in 9MFY26, with toll collections increasing by 11.87% for IHMTL and 12.23% for KGTL. Kaithal Tollway Limited (KTL) witnessed a decline in toll income in FY24 and FY25 due to farmer protests affecting traffic in the region. However, toll collections recovered by 4.5% in 9MFY26 and are expected to improve further with easing protest-related disruptions.

Apart from toll projects, the trust has two NHAI HAM projects: VK1, which was completed in August 2022 and received seven annuities till February 2026 in a timely manner without deductions, and VM7, which received its first annuity in December 2025.

Moderate leverage with adequate debt protection metrics

The trust's net leverage stood at ~30% as on March 31, 2025. Following acquisition of new assets, net leverage increased to ~44% as of December 31, 2025. Going forward, the leverage profile is expected to remain at current levels, with net debt-to-enterprise value ratio projected to remain below 49%, supported by the trust's portfolio comprising entirely operational road assets.

Comfort is also derived from target traffic related extensions per provisions of concession agreement. Debt coverage indicators are projected to remain satisfactory with a comfortable DSCR. DSCR levels have moderated from previous levels with change in mix from operational toll to toll: HAM projects and modest growth in toll in the last two years.

IRB InvIT has scaled up its portfolio following the recent acquisition of four assets, after its last acquisition of VK1 in FY23. Going forward, the InvIT is expected to continue evaluating opportunities for portfolio expansion and diversification. Higher-than- envisaged debt-funded asset acquisition, without adequate cash flows support, may weaken debt coverage indicators and will remain a key rating monitorable.

Established track record of the sponsor, investment manager and project manager of Fund

IRB Infrastructure Private Limited (IIPL) is the investment manager of the fund. It has experience in operating road projects on a build-operate-transfer (BOT) basis for ~20 years and also in developing, operating and maintaining toll plazas. IRBIDL is the fund's project manager to carry out O&M of the project SPVs. IRBIDL has considerable experience in execution of construction work for roads and highways, including National Highways (NHs).

Cash flow support via premium deferment

Of the eight road project SPVs under IRB InvIT Fund, one of the project SPVs, IRB Tumkur Chitradurga Project (IRBTC), had to pay an annual fixed premium of ₹140.4 crore from the first year of the concession period in FY12 with an annual rise of 5% per annum. Considering insufficient toll generation against the premium obligation to be paid by IRBTC in the initial years of tolling,

NHAI approved deferment of the premium obligation from FY15-FY24, providing temporary relief by shifting the payment thereof post FY25. Deferred premium is to be repaid to NHAI and interest at 2% over the Reserve Bank of India (RBI) Bank Rate. Outstanding deferred premium, and interest thereon, stood at ~₹513 crore as on December 31, 2025. The premium payment is being made in accordance with cash surplus accruing to IRBTC.

Key weaknesses

Risks inherent in BOT toll road projects

Toll revenues are a function of toll rates and traffic volumes. Traffic volumes directly or indirectly depend on multiple factors, including location of the road project (connecting areas and their commercial importance), quality, convenience and travel efficiency of alternative routes outside the network of toll roads, among others. The traffic is exposed to political risks too with the Pathankot-Amritsar stretch witnessing farmer protests and suspension of toll in the recent past. However, comfort can be drawn from diversified asset base of the InvIT, the potential impact of unprecedented event occurring in particular region and/or with respect to particular project.

Exposure to O&M and MM risks

Material breach in the O&M and MM requirement may result in the contract being terminated by NHAI. All the five old SPVs, MVR Infrastructure & Tollways Limited (MVR), IRB Pathankot Amritsar Toll Road Limited (IRBPA), IRB Tumkur Chitradurga Tollway Limited (IRBTC), IRB Talegaon Amravati Tollway Limited (IRBTA) and IRB Jaipur Deoli Tollway Limited (IRBJD) entered a fixed-price agreement for O&M and MM requirement for 10 years with the sponsor company IRBIDL till FY30. The fixed-price contract with IRBIDL imparts comfort against escalation in the actual costs. VK1 and recently acquired three toll assets and VM7 have executed a fixed-price O&M contract for all O&M and MM requirements throughout the project life.

The new refinanced debt and debt raised for acquiring SPVs stipulated the creation of major maintenance reserve account (MMRA) till FY28, which provides additional comfort. Maintenance contract is a fixed price contract, which when combined with past experience of the project manager/O&M contractor in the road sector mitigates risk to a certain extent. Going forward, higher-than-envisaged outlay towards O&M/MM will impact debt service coverage indicators and is a key rating sensitivity.

Liquidity: Adequate

In line with the InvIT regulations, over 90% of net distributable cash flows (NDCF) of IRB InvIT Fund is being distributed to unit-holders after servicing debt and meeting all operating expenses of the IRB InvIT. Hence, the IRB InvIT does not maintain significant liquid funds. Debt obligations towards principal and interest repayment due for FY26 stands at ~₹445 crore with adequate toll collections against this. In line with sanctioned terms, the fund is maintaining a DSRA balance of ~₹276 crore (including DSRA) as on February 2026.

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](#)

[Consolidation & Combined Approach](#)

[Issuer Rating](#)

[Hybrid Annuity Road Projects](#)

[Infrastructure Investment Trusts \(InvITs\)](#)

[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

IRB InvIT Fund is a trust registered under the SEBI's Infrastructure Investment Fund Regulations 2014 and is sponsored by IRBIDL. The fund owns, operates and maintains a portfolio of five toll - road assets and one HAM in Maharashtra, Rajasthan, Karnataka Tamil Nadu, Gujarat and Punjab. These toll roads projects are Jaipur-Deoli NH 12, Tumkur- Chitradurga NH 4, Omalur-Salem-Namakkal NH 7, Talegaon-Amravati NH 6, Amritsar-Pathankot NH15, Kaithal Tollway NH 152, Kishangarh Gulabpura NH79 & NH79A and Hapur Moradabad NH24. HAM projects are operated under VK1 and VM7.

Brief Financials - Consolidated (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	1,062	1,084	969
PBILDT*	862	916	852
Profit after tax (PAT)	373	356	242
Overall gearing (x)	0.78	0.53	0.89
Interest coverage (x)	4.09	4.29	3.43

A: Audited UA: Unaudited; 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	March 2040	2501.11	CARE AAA; Stable
Issuer Rating- Issuer Ratings	-	-	-	-	0.00	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	2501.11	CARE AAA; Stable	-	1)CARE AAA; Stable (09-Jan-25)	1)CARE AAA; Stable (05-Jan-24)	1)CARE AAA; Stable (01-Dec-22)
2	Issuer Rating-Issuer Ratings	LT	0.00	CARE AAA; Stable	-	1)CARE AAA; Stable (09-Jan-25)	1)CARE AAA; Stable (05-Jan-24)	1)CARE AAA; Stable (26-Dec-22) 2)CARE AAA (Is); Stable (01-Dec-22)

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	Issuer Rating-Issuer Ratings	-

Annexure-5: Lender detailsTo 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	IDAA Infrastructure Ltd.®	Full	Wholly owned subsidiary
2	IRB Surat Dahisar Tollway Ltd®	Full	Wholly owned subsidiary
3	IRB Jaipur Deoli Tollway Ltd.	Full	Wholly owned subsidiary
4	IRB Tumkur Chitradurga Tollway Ltd.	Full	Wholly owned subsidiary
5	MVR Infrastructure & Tollways Ltd.	Full	Wholly owned subsidiary
6	IRB Talegaon Amravati Tollway Ltd.	Full	Wholly owned subsidiary
7	IRB Pathankot Amritsar Toll Road Ltd.	Full	Wholly owned subsidiary
8	VK1 Expressway Limited	Full	Wholly owned subsidiary
9	IRB Hapur Moradabad Tollway Limited#	Full	Wholly owned subsidiary
10	Kishangarh Gulabpura Tollway Limited#	Full	Wholly owned subsidiary
11	Kaithal Tollway Limited #	Full	Wholly owned subsidiary
12	VM7 Expressway Private Limited\$	Full	Wholly owned subsidiary

@Concession for projects have been completed and have been handed over to the authority.

#These projects have acquired by the InvIT effective November 2025.

\$VM7 was acquired by the InvIT effective December 2025.

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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