

Raajmarg Infra Investment Trust

April 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	4,000.00	CARE AAA; Stable	Final Rating Confirmed
Issuer rating	0.00	CARE AAA; Stable	Final Rating Confirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has finalised ratings assigned to bank facilities and issuer rating of Raajmarg Infra Investment Trust (RIIT) on completion of transfer of identified assets to RIIT, signing concession agreements and listing its units on the stock exchange. Assumptions on projects so identified for transfer to RIIT, as disclosed to CareEdge Ratings, are in consonance with details filed by the sponsor under the Final Offer Document with the Securities and Exchange Board of India (SEBI).

To arrive at the final rating of bank facilities and issuer ratings of RIIT, CareEdge Ratings has applied a consolidated approach of RIIT and its underlying project assets. RIIT is a SEBI-registered infrastructure investment trust (InvIT), which houses five operational toll road assets sponsored by National Highways Authority of India (NHAI; rated 'CARE AAA; Stable').

The final rating confirmed continues to derive strength from experienced and established track record of the trust's sponsor – NHAI– in the roads and highways sector and its strategic importance to the Government of India (GoI) in enabling NHAI's monetisation efforts apart from broadening public participation in the national highway development process. The investment manager – Raajmarg Infra Investment Managers Private Limited (RIIMPL) – is partly owned by NHAI, while the project manager –National Highways Invit Project Managers Private Limited (NHIPMPL) – is a wholly owned subsidiary of NHAI. Ratings are underpinned by a geographically diversified portfolio of mature toll road assets with a healthy operational history of over 15 years with robust toll collections.

The five toll road assets are held through a project special purpose vehicle (SPV), Raajmarg 1 Projects Private Limited (R1PPL), which entered a 15-year concession agreement with NHAI similar to toll-operate-transfer (TOT) concession. RIIT raised fresh equity of ₹6,000 crore through public offering and debt of ₹3,733 crore, which has been utilised to pay concession fee to NHAI for transfer of the assets. Accordingly, consolidated debt to enterprise value of RIIT stood at 40% as on March 31, 2026.

Low leverage, healthy debt coverage indicators, benefits of cashflow pooling structure of the InvIT, and proposed creation of a debt service reserve account (DSRA) equivalent to one quarter of debt servicing to be maintained over the entire loan tenor at InvIT level are other prominent structural enablers strengthening RIIT's credit profile.

However, these credit strengths are partially tempered by RIIT's exposure to inherent risks of constituent toll road projects, including varying traffic growth and traffic diversion to alternate routes, inherent operation and maintenance (O&M) and major maintenance (MM) risks, and inherent interest rate fluctuation risk. However, built-in concession period adjustment mechanism under the TOT framework provides partial downside protection against long-term toll revenue volatility while presence of hybrid annuity model (HAM) concessions held by other sponsors on some underlying stretches reduces O&M risk to an extent.

CareEdge Ratings confirms bank loan and issuer rating assigned following the completion of following steps:

- Transfer of the identified assets into RIIT.
- Execution of concession agreement with NHAI for the assets.
- Completion of offer and listing of RIIT.

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

Rating sensitivities: Factors likely to lead to rating actions**Positive factors**

- Not applicable

Negative factors

- Lower-than- envisaged toll collections or increase in O&M and MM expenses, adversely impacting the consolidated debt service coverage ratio (DSCR) below 1.75x on a sustained basis.
- Adversely changing capital structure leading to a net debt-to-enterprise value exceeding 49% on a sustained basis.

Analytical approach: Consolidated.

RIIT's credit profile factors in consolidated business and financial risk profile of five underlying assets, Gorhar Barwa Adda (GBA), Vijayawada Chilakaluripet (VC), Chennai Tada (CT), Chennai Bypass (CB) and Neelamangala -Tumakuru (NT) – which are held through the project SPV, R1PPL, a wholly owned SPV of RIIT. Debt at RIIT level will be serviced from cash flows, which is upstreamed from the underlying SPV. Consolidated entities/projects are listed under Annexure-6.

Outlook: Stable

CareEdge Ratings expects RIIT's business and financial risk profiles to remain stable, aided by healthy toll collections, comfortable leverage, and strong debt coverage indicators.

Detailed description of key rating drivers:**Key strengths****Experienced sponsor with strategic importance to GoI**

RIIT was set up by NHAI in November 2025 as an InvIT for monetising its road assets. It is the first public InvIT by NHAI following the launch of its privately placed InvIT, National Highways Infra Trust (NHIT; rated 'CARE AAA; Stable / CARE A1+'). As a principal vehicle for monetising road assets in the country under the National Asset Monetisation Pipeline, the InvIT holds significant importance for GoI.

NHAI is the nodal agency responsible for developing and maintaining national highways. It was constituted under Section 3(1) of the National Highways Authority of India Act, 1988, and commenced operations in February 1995 for developing, maintaining, and managing national highways in the country. The NHAI is vested with executive powers for developing national highways in India by the MoRTH. The charter of NHAI is set out in the National Highways Act, 1956, and the National Highways Authority of India Act, 1988. GoI has a 100% stake in NHAI, with the authority receiving continuous support from the GoI in the form of capital grants, allocation of cess funds, additional budgetary support (ABS), and has extended guarantees to the latter's market borrowing programmes.

Geographically diversified portfolio of toll road projects

The five road projects currently under the InvIT are at diversified geographical locations spread across different states, such as Jharkhand, Andhra Pradesh, Tamil Nadu, and Karnataka. This significantly mitigates InvIT's business risk by reducing the potential impact of region-specific economic slowdown or force majeure events, or with respect to specific risks of individual projects. These stretches form critical links in the Golden Quadrilateral and East Coast Corridor, connecting industrial hubs, ports, and metropolitan regions, ensuring exposure to varied traffic patterns and economic activity.

Established track record of healthy toll collection

The underlying projects have an operational track record of over 15 years. NHAI has been responsible for toll collection across all five project stretches with a healthy track record of traffic growth. Toll plazas at these five stretches reported healthy toll collection of ₹860 crore in FY25, representing 9% growth over FY24. Following certain descoping of project length, these assets have been transferred to RIIT, rendering good revenue visibility. Six laning works are at an advanced stage of completion at select stretches. This augurs well for growth in toll collection of RIIT, owing to benefit of toll hike.

Concession agreement providing long-term revenue visibility

R1PPL, which holds all five project assets, entered concession agreements with NHAI for O&M of these assets akin to TOT concessions. Thus, the project SPV has the right of collection of user fee and O&M for underlying project stretches for 15 years beginning April 01, 2026, in return for an upfront concession fee paid to NHAI from issue proceeds and InvIT level debt. RIIT has raised net fresh equity of ₹5,850 crore (net of issue expenses of ₹150 crore) through a public offering, with listing completed on March 24, 2026, and debt of ₹3,733 crore. Proceeds have been utilised towards payment of aggregate concession fee of ₹9,583 crore to NHAI for transfer of assets.

Under the TOT concession framework, the mechanism for adjusting concession period has been amended such that the concession period will be extended if actual toll collections fall short of the targeted toll collection by over 5%. The extension is calculated on a pro-rata basis, relative to the shortfall beyond the 5% threshold, with reciprocal reduction provisions if toll collections exceed targets by over 5%. The frequency for assessing actual versus target tolls has also been increased to every five years for determining the adjustment to the concession period. This mechanism provides partial mitigation against long-term traffic and revenue variability.

Comfortable leverage and strong debt coverage indicators

RIIT has raised debt of ₹3,733 crore for 13 years to be utilised for payment of concession fee to NHAI, as specified in the concession agreement. This apart, proceeds will also be utilised to undertake initial improvement cost. Surplus cash flows after meeting operational expenses of project highways will be available to InvIT and long loan tenor availed, translating into healthy debt coverage in the projected period. Capital structure is expected to be maintained at a level that debt to Enterprise Value (EV) does not exceed 49%. Leverage stands comfortable marked by estimated peak debt/toll collection of 4.25x against 13 years of loan tenor, leading to strong debt coverage indicators. This apart, per the term sheet, the InvIT has to maintain one-quarter DSRA equivalent to principal, interest, fees and all other obligations due and payable in respect of the facility in the subsequent quarter. Thus, presence of long tenor loan, cashflow pooling, and reserve requirement provides significant comfort.

Key weaknesses**Inherent traffic risk**

Toll revenues are a function of toll rates and traffic volumes. Traffic volumes directly or indirectly depend on multiple factors, including project location (connecting areas and their commercial importance), cost benefit analysis for use of toll roads against alternate routes, macro-economic factors, and travel efficiency of alternative routes outside the network of toll roads, among others. Even though the projects have a favourable locational advantage, the same remain exposed to traffic diversion risk from alternate route, primarily Varanasi Ranchi Kolkata Expressway, Eastern Dedicated Freight Corridor, High Speed Rail corridor between Chennai to Hyderabad, Chennai Peripheral Ring Road, Chennai Port Maduravoyal Expressway, and Surat Chennai Expressway among others. CareEdge Ratings has considered suitable traffic diversion in the base case model per traffic study report. Going forward, higher-than-envisaged traffic diversion to alternate route leading to consolidated DSCR falling below 1.75x on sustained basis is key rating sensitivity. However, low leverage and favourable terms of TOT concessions mitigate the traffic diversion risk to an extent. Six-lane widening work of NT is estimated to be completed in FY27. Engineering, procurement, and construction (EPC) work is being done by HG Infra Engineering Limited (rated 'CARE AA; Stable') and project progress is ~49% as of September 2025. In case of delay in completion of six-lane widening work, toll income of FY27 can be impacted. However, even with a six-month delay in six laning, debt coverage indicators are expected to remain healthy.

Inherent O&M and MM risks with interest rate risk

Underlying assets are subject to routine and periodic maintenance over the concession period. CareEdge Ratings notes that O&M will be undertaken under a pre-agreed framework, with the project manager responsible for execution per InvIT agreements. Certain stretches will continue under existing O&M arrangements. The Gorhar Barwa Adda project is currently operated under the HAM, with the concession valid until FY36, in which period O&M will continue to be undertaken by the existing HAM concessionaire, and the Nelamangala–Tumakuru stretch is operated under an O&M arrangement, which is expected to continue until FY32. This reduces near-to-medium-term O&M burden on the Trust and mitigates maintenance risk to an extent.

For routine and periodic maintenance, CareEdge Ratings has primarily relied on the O&M cost assumptions, as specified by the technical consultant for respective project stretches. Routine O&M and periodic maintenance costs are comparable or superior to other rated projects. This apart, risk is largely mitigated due to NHAI's vast experience in the road construction and development sector. Notably, debt at the InvIT level carries floating interest rate and is subject to a periodic reset, exposing the trust to adverse changes in interest rates in future.

Liquidity: Strong

The liquidity profile of the InvIT is expected to be strong with availability of surplus cash flows from the underlying project stretch, low leverage and long tenor debt of 13 years with regular amortisation schedule. Proposed DSRA creation equivalent to one quarter of debt servicing provides comfort by enhancing liquidity buffers.

Assumptions/Covenants: Not applicable

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

Applicable criteria

- [Consolidation](#)
- [Definition of Default](#)
- [Issuer Rating](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Financial Ratios – Non financial Sector](#)
- [Infrastructure Investment Trusts \(InvITs\)](#)
- [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

RIIT is registered as an irrevocable trust under Indian Trust Act, 1882 and is registered as an InvIT under SEBI (Infrastructure Investment Trust) Regulations 2014. Five road projects with a total stretch of 260.2 km, GBA, VC, CT, CB and NT have been transferred to the InvIT, through the project SPV, R1PPL. R1PPL has executed concession agreements with NHAI for these assets for a concession period of 15 years under the TOT model.

Brief financials: Not applicable as RIIT was recently listed on March 24, 2026.

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
Issuer Rating-Issuer Ratings		-	-	-	0.00	CARE AAA; Stable
Term Loan-Long Term		-	-	31-03-2039	4000.00	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 2026-2027	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
1	Term Loan-Long Term	LT	4000.00	CARE AAA; Stable	-	1)Provisional CARE AAA; Stable (03-Feb-26) 2)Provisional CARE AAA; Stable (08-Jan-26) 3)Provisional CARE AAA; Stable (31-Dec-25)	-	-
2	Issuer Rating-Issuer Ratings	LT	0.00	CARE AAA; Stable	-	1)Provisional CARE AAA; Stable (03-Feb-26)	-	-

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	Term Loan-Long Term	Simple

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	Raajmarg 1 Projects Private Limited	Full	Subsidiary

List of assets under above SPV:

Project stretch	State	Length (in km)
Gorhar Barwa Adda	Jharkhand	80.52
Vijayawada Chilakaluripet	Andhra Pradesh	69.41
Chennai bypass	Tamil Nadu	32.60
Chennai Tada	Tamil Nadu	33.00
Nelamangala Tumakuru	Karnataka	44.67

Annexure 7: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, Fis	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, Fis	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating reports subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

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About us:

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