Boregaon Buzurg Shahpur Private Limited (Revised)

April 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	470.23	CARE A+ (CE); Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Unsupported rating	**CARE A- [Upgraded from CARE BBB+]**

Note: Unsupported rating does not factor in the explicit credit enhancement.

Rationale and key rating drivers for credit enhanced debt

Ratings assigned to bank facilities of Boregaon Buzurg Shahpur Private Limited (BBSPL) factors in the credit enhancement in the form of an unconditional, irrevocable and enforceable corporate guarantee from Kalyan Toll Infrastructure Limited (KTIL) to meet shortfall in guaranteed obligations, ensuring timely debt servicing until the Final Settlement Date. Revision in the rating of BBSPL follows the similar revision in credit profile of KTIL. The rating shall remain sensitive to negative variation in the credit profile of the credit enhancement provider, KTIL and non-adherence to the guaranteed deed.

Rationale and key rating drivers of Kalyan Toll Infrastructure Limited (KTIL, Guarantor)

CARE Ratings Limited (CareEdge Ratings) has adopted a combined analytical approach for Kalyan Toll Infrastructure Limited (KTIL), considering the strong operational, financial, and managerial linkages between KTIL and its special purpose vehicles (SPVs), which result in cash flow fungibility and support across the group.

Upgrade in short-term ratings of KTIL factors in availability of strong liquidity position at the Kalyan Group level, marked by healthy free cash and bank balance, negligible utilisation of fund-based limits, and substantial amount of undisbursed debt available at SPV level, providing healthy liquidity cushion.

Reaffirmation of KTIL's long-term ratings reflects strength of its large and diversified portfolio of operational assets, which provides predictable cash flows and supports healthy consolidated debt coverage indicators. As on December 31, 2025, the group manages 21 projects, comprising 20 operational projects across Government of Maharashtra (GoM) hybrid annuity model (HAM), Ministry of Road Transport and Highways (MoRTH) HAM, National Highways Authority of India (NHAI) HAM, and toll projects, and one under-construction NHAI HAM project. The group's ability to generate cash surplus is demonstrated by sizeable debt prepayment in FY25 (refers to April 01 to March 31) and 9MFY26 (refers to April 01 to December 31), supported by healthy toll collections and annuity income.

Operationalisation of multiple HAM assets in FY24–FY25 increased annuity inflows and shifted revenue mix towards a more predictable annuity-based profile, with annuities contributing 53% and tolls 47% of revenues in FY25. KTIL has an established record of annuity receipts across NHAI, MoRTH, and GoM HAM projects, and while some annuities under GoM HAM continue to be withheld and received late, absence of project-level debt limits the financial impact. The company also benefits from over two decades of experience in road construction across multiple states, supported by an asset-light execution model. KTIL's order book stood at ₹2,791 crore as of December 31, 2025, translating to an order book-to-contract receipts ratio of 2.21x based on FY25 receipts. Although order inflows have moderated since October 2024, due to intense competition, the order book remains reasonably diversified across roads, buildings, and irrigation projects. The management's plans to bid for multiple upcoming HAM projects, evaluate distressed acquisitions through the National Company Law Tribunal (NCLT) or private deals, and venture into the hotel business may increase the group's risk profile. Aggressive, debt-funded expansion or bidding that materially impacts leverage and coverage metrics will remain a key credit monitorable.

Despite its strengths, KTIL continues to face regulatory and traffic risks in its toll projects, particularly those under GoM, where compensation delays and uncertainty around toll hike implementation have been observed. Increased tolls for commercial vehicles have, at times, led to traffic diversion, moderating toll revenue growth. The build–operate–transfer (BOT) portfolio also faces elevated operations and maintenance (O&M) risk due to the absence of major maintenance reserve accounts (MMRA) in several special purpose vehicles (SPVs), partly offset by consolidated cash surpluses. Additional risks arise from exposure to group entities through non-core advances and corporate guarantees, which keep adjusted leverage at moderate levels. The company also faces

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

sector-wide challenges, including delays in approvals, right-of-way (ROW) constraints, slow awarding activity, and high competition, which may exert pressure on margins and working capital.

Key rating drivers of Boregaon Buzurg Shahpur Highway Private Limited (BBSPL, Issuer)

Unsupported rating assigned to BBSPL considers inherent strengths of HAM-based road projects such as (i) low project funding risk with inflation indexed annuity to be received for construction and favourable clauses introduced in the concession agreement (CA) to de - bottleneck project execution challenges (ii) lower post implementation risk considering inflation-indexed annuity to be received for O&M of the road and (iii) receipt of MCLR linked interest annuity. Wide experience of the sponsor in the infrastructure space, low leverage of the project, proposed creation of debt service reserve account (DSRA) and comfortable debt service coverage indicators are other credit positives.

The rating considers, low credit risk of counterparty – National Highway Authority of India (NHAI; rated 'CARE AAA; Stable') for receipt of project completion milestone payments and underlying annuity receivables from both during construction and post commencement of operations. The rating also favourably factors in undertakings extended by the sponsor to fund the cost overrun in construction period, funding of shortfall in construction and operational period and funding of incremental O&M expenses and major maintenance (MM) expenses over and above the base case plan.

However, rating strengths are hampered by the inherent construction risk associated with timely completion of project elevated by nascent stage, the inherent O&M risk, interest rate risk.

Rating sensitivities: Factors likely to lead to rating actions (KTIL)

Positive factors

- Augmentation of revenue visibility while maintaining low leverage, and healthy liquidity on a sustained basis.

Negative factors

- Significant deductions or delays in release of annuities due to breach of performance obligations in HAM projects.
- Increase in O&M expenses, or higher-than-envisaged outflow towards MM expense or increase in interest rates or decline in toll revenue leading to combined average debt service coverage ratio (DSCR) falling below 1.75x on a sustained basis.
- Aggressive debt-funded acquisition of new projects leading to lower-than-envisaged free cash surplus at the group level, thus restricting its overall financial flexibility.
- Significant increase in under construction portfolio or exposure to large BOT projects or non-core advances.

Analytical approach:

Credit Enhanced Rating: Assessment of the Guarantor, KTIL. CareEdge Ratings has analysed BBSPL's credit profile by considering credit enhancement extended by KTIL in the form of unconditional and irrevocable corporate guarantee towards rated bank facilities of BBSPL.

Unsupported rating: Standalone

Analytical approach for KTIL: Combined

CareEdge Ratings has combined standalone financials of KTIL with cash flows and debt of all operational SPVs and under construction SPVs due to fungibility of cash flows within entities of the Kalyan group and debt guaranteed by KTIL for all SPVs. Equity commitment of under construction project of KTIL has also been factored in. Combined entities have been listed under Annexure - 6.

Outlook: Stable

CareEdge Ratings expects KTIL to sustain its comfortable financial risk profile amidst healthy cash flow generation from its operational project portfolio and adequate revenue visibility. Strong liquidity and low leverage on a combined basis is expected to aid financial flexibility.

Detailed description of key rating drivers:

Key strengths

Strong Pool of operational assets

KTIL has a total portfolio of 21 projects as on December 31, 2025, comprising 20 operational projects and one under-construction project. Operational portfolio includes nine GoM HAM projects, one MoRTH HAM project, three NHAI HAM projects, seven toll projects, and one under-construction NHAI HAM project. In FY25, the Kalyan group entities' toll collections increased to ₹548 crore from ₹519 crore in the previous year. With the operationalisation of HAM projects, annuity receipts increased from ₹366 crore in FY24 to ₹488 crore in FY25. In this period, one operational toll-plus-annuity project was handed over to the authority for eight-laning.

Increase in operational HAM projects in FY24 and FY25, resulted in a change in the mix of toll and annuity cash inflows to 53% and 47%, respectively, in FY25, compared to 59% and 41% in FY23. Increase in operational HAM projects is expected to result in a more stable combined revenue stream, with the proportion of annuities in overall cash inflows increasing to over 50% from FY26 onwards. KTIL has an established track record of annuity receipts, having received 5-8 annuities in GoM HAM projects, nine annuities in the MoRTH HAM project, and 2-4 annuities in NHAI HAM projects. In a few GoM HAM projects, certain annuity amounts have been withheld; however, management expects these to be released in the next 3-6 months. Absence of project-level debt in these assets mitigates the risk arising from delayed annuity receipts.

Robust debt coverage indicators at combined level

Healthy cash surplus generation at the combined level led to prepayment of debt of ~₹375 crore in FY25 and ₹350 crore in 9MFY26, resulting in improvement in combined leverage and strengthening debt coverage indicators. With operationalisation of HAM projects and most GoM HAM projects being debt-free, the debt mix has rationalised, with debt related to NHAI HAM projects accounting for 69% of total combined debt against 41% in FY23. Combined interest coverage improved from 5.78x in FY24 to 8.03x in FY25. Combined debt coverage indicators are expected to remain strong, supported by low leverage and healthy cash flow available for debt servicing.

KTIL also has undisbursed term debt of ₹475 crore in its operational asset pool, and unavailed term debt in its under-construction project, providing financial flexibility. As on December 31, 2025, the equity commitment of ~₹60 crore for the under-construction HAM project is expected to be met through internal accruals. However, CareEdge Ratings notes that management plans to bid for multiple HAM projects, evaluate acquisitions through NCLT or private deals, and foray into the hotel business. Aggressive, debt-funded project awards or acquisitions that materially impact leverage and debt coverage indicators will remain a key credit monitorable

Stable scale of operations and profitability

KTIL's scale of operations remained stable with total operating income of ₹1,261 crore in FY25 against ₹1,258 crore in FY24. Profit before interest, lease rentals, depreciation and taxation (PBILDT) margins also remained stable at 15.60% in FY25 (FY24: 15.38%). Annuity receipts from GoM projects housed under KTIL declined to ₹76 crore in FY25 from ₹216 crore in FY24 due to delays in receipt of annuities, primarily considering state general elections, which had been envisaged by the company. Delayed annuities have since been received, as reflected in 9MFY26 annuity receipts of ₹232 crore.

Gross current assets (GCA) days increased to 185 days in FY25 from 115 days in FY24 due to higher receivables and unbilled revenue, largely attributable to the Boregaon Buzurg HAM project, where debt disbursement is nil. Overall, GCA days are expected to rationalise in the near term with realisation from such HAM project.

Moderate order book position despite with geographical concentration

KTIL has a moderate order book of ₹2,791 crore as on December 31, 2025 (₹4,133 crore as on September 30, 2024), equivalent to 2.21x FY25 contract receipts. Since October 2024, KTIL has not bagged major orders due to intense competition in the roads sector marked by aggressive bidding. The order book remains geographically concentrated, with Maharashtra accounting for 59%, followed by Madhya Pradesh and Uttar Pradesh at 20% each, and the balance from Chhattisgarh. Segment-wise, the order book is diversified across Roads (47%), Buildings (25%), and Irrigation (21%), with the decline in road share driven by ongoing execution.

Established track record in road construction

KTIL has an established execution track record of over two decades in road construction, with most projects completed on time and without major cost overruns. In FY24, the company diversified execution into Uttar Pradesh and building projects to reduce geographical and sectoral concentration. KTIL is registered as an "A" category contractor with the GoM and the Government of Madhya Pradesh. KTIL owns a moderate fleet of construction equipment and outsources non-core activities to subcontractors. The relatively asset-light execution model has resulted in lower term debt and provides cash flow flexibility.

Key weaknesses

Regulatory and traffic risks associated with operational toll projects, partially offset by comfortable leverage and longer tail period
KTIL is exposed to inherent regulatory risk due to its exposure to toll and HAM projects awarded by GoM. GoM has exempted toll collection for cars, and there have been delays in release of compensation and in finalisation of compensation modalities. GoM implemented a hike in toll rates for commercial vehicles in lieu of compensation for freight-dominated stretches. However, significant toll hikes resulted in traffic diversion, partially negating the intended positive impact on toll revenues. There have also been instances of delays in release of annuities from GoM.

However, prepayment of debt in all GoM HAM projects mitigates risk arising from delayed or withheld annuity receipts. KTIL also prepaid entire debt in all its operational toll road projects, except Keti Sangam Infrastructure Private Limited. Accordingly, no major support is envisaged for operational toll roads, and these projects are expected to provide healthy cash flow support to other projects of the Kalyan group. In addition, an operational track record of over five years and long tail period arising from debt prepayment in toll SPVs partially offset the inherent regulatory and traffic risks associated with toll projects.

O&M risk associated to BOT projects and absence of MMRA
Inherent O&M risk associated with BOT projects is elevated for the Kalyan group due to the absence of an MMRA in majority SPVs. However, adequate provisioning assumptions for MM and cash surplus generated from other operational projects of the Kalyan group partly mitigate risk arising from the non-creation of MMRA.

Exposure to group companies through extension of non-core advances
KTIL has extended non-core advances of ₹185 crore as on March 31, 2025, to related parties, primarily for purchase of land bank, which constitutes ~15% of its standalone net worth. The company also extends advances to suppliers and subcontractors to support execution requirements. Adjusted combined overall gearing, which includes corporate guarantees as debt while excluding group company debt and non-core advances from net worth, remained comfortable at 1.08x as on March 31, 2024. Incremental extension of non-core advances will remain a key rating monitorable.

Heightened execution challenges and intense competition in roads sector
Pace of construction for National Highways is estimated to decline by 14% in FY26 to ~25 km per day, lowest since FY19. Sustained decline in awarding for FY25 and FY26 paired with surge in bitumen prices owing to the ongoing West Asia crisis and heightened execution challenges is expected to decline pace of construction further to ~21-22 km/day in FY27. Heightened competitive intensity, execution delays and rising overheads owing sectoral diversification continued to exert pressure on financial profile of road developers. PBILDT margins are expected to decline from ~13% in FY23 to ~11.5% in FY26. PBILDT margins are expected to decline further 100-150 bps in FY27 owing to recent surge in bitumen prices due to the ongoing West Asia crisis. Following the discontinuation of monthly payment mechanisms and rising exposure to state projects working capital requirement is estimated to increase by ~55 days in FY26 over FY24, pushing leverage of roads developers. Roads developers with low leverage and portfolio of operational assets are better placed to manage headwinds.

Liquidity:

KTIL: Strong
KTIL's standalone liquidity position remains strong, marked by cash and cash equivalents of ₹162 crore as on March 31, 2025, against minimal long-term debt of ₹19 crore. At the group level, combined free cash and cash equivalents stood healthy at ~₹190 crore, in addition to lien-marked fixed deposits of ₹165 crore towards debt service reserve account (DSRA) and MMRA as on March 31, 2025.

Average utilisation of sanctioned fund-based working capital limits remained low at 31% for 12 months ended December 2025. Creation of requisite DSRA and the proposed creation of DSRA in debt-funded projects further support liquidity. Upstreaming of healthy cash flows from operational projects with nil or low leverage, undisbursed term debt in completed and under-construction HAM projects, strengthens KTIL's liquidity position.

BBSPL: Adequate
BBSPL is envisaged to generate adequate cash flows, backed by a steady cash flow stream of annuity payments throughout the term loan tenor. DSRA for six months debt servicing requirement (interest and principal payment) shall be required to be created at the time of 1st annuity. BBSPL has access to need based support from the parent KTIL, which provides added comfort.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Construction Sector
Hybrid Annuity Model based road projects
Infrastructure Sector Ratings
Short Term Instruments
Toll Road Projects

Adequacy of credit enhancement structure: Adequate as bank facilities rated by CareEdge Ratings is backed by unconditional, irrevocable, and enforceable corporate guarantee of KTIL for entire tenor of the term debt.

About the Credit Enhancement Provider, KTIL

Incorporated in 2002 by the Garg family of Indore, KTIL is engaged mainly in roads construction on engineering, procurement, and construction (EPC) and BOT basis. The company's operations are actively managed by the Chairman, Tikamchand Garg, and his younger brother, Rajesh Garg. Initially, KTIL had started with toll projects of Public Works Department of GoM and then gradually diversified in HAM projects of GoM and NHAI and MoRTH. KTIL is also engaged in toll collection contracts (TCC) of NHAI and execution of buildings, irrigation and dam projects in Madhya Pradesh, Maharashtra, and Uttar Pradesh among others.

Brief Combined Financials (₹ crore)	March 31, 2024 (UA)	March 31, 2025 (UA)
Total operating income	1,865	2,184
PBILDT*	763	972
Profit after tax (PAT)	NA	NA
Overall gearing (x)	NA	NA
Interest coverage (x)	5.78	8.03

UA: Unaudited; NA: Not available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

About the company and industry

Industry classification

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

BBSPL was incorporated on February 16, 2023, as an SPV by KTIL. BBSPL entered a 17 year CA (including construction period of 730 days from appointed date) with the NHAI for developing of four laning of Boregaon Buzurg to Shahpur section kms 139+000 to 186+000 (NH-53L, Length 47 Km) onthe design, build, operate and transfer (DBOT) basis in Madhya Pradesh under Bharatmala Pariyojna on Hybrid Annuity Mode. The concession agreement was signed on April 25, 2023, at a bid project cost of ₹944 crore. However, BBSPL achieved financial closure at a cost of ₹1042.77 crore to be funded through construction grant from NHAI of ₹445.57 crore (excluding inflation), debt of ₹425.00 crore and balance through promoter's contribution. The project received Appointed Date on February 01, 2024.

Brief Financials: Not applicable as project stage entity

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-Long Term		-	-	-	425.00	CARE A+ (CE); Stable
Non-fund-based-Long Term		-	-	-	45.23	CARE A+ (CE); Stable
Un Supported Rating-Un Supported Rating (Long Term)		-	-	-	0.00	CARE A-

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	Fund-based-Long Term	LT	425.00	CARE A+ (CE); Stable	-	-	1)CARE A+ (CE); Stable (06-Mar-25) 2)CARE A (CE); Stable (29-May-24)	-
2	Non-fund-based-Long Term	LT	45.23	CARE A+ (CE); Stable	-	-	1)CARE A+ (CE); Stable (06-Mar-25) 2)CARE A (CE); Stable	-

							(29-May-24)	
3	Un Supported Rating-Un Supported Rating (Long Term)	LT	0.00	CARE A-	-	-	1)CARE BBB+ (06-Mar-25) 2)CARE BBB+ (29-May-24)	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Name of the Instrument	Detailed Explanation
A. Financial covenants	To maintain minimum DSCR of 1.10x throughout the tenor of the loan: The ratio of debt to equity shall not exceed 2.47:1.
B. Non-financial covenants	The company shall maintain DSRA an amount equivalent to the next six months of principal and interest amount.

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-Long Term	Complex
2	Non-fund-based-Long Term	Complex

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	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Maulesh Desai Director **CARE Ratings Limited** Phone: E-mail: maulesh.desai@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Setu Gajjar Associate Director **CARE Ratings Limited** Phone: 079-40265 E-mail: setu.gajjar@careedge.in Sakina Hussain Analyst **CARE Ratings Limited** E-mail: Sakina.hussain@careedge.in

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