

RATING RATIONALE

03 March 2026

Hoskote Malur Highways Private Limited

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of Rs. 567.37 Crs. of Hoskote Malur Highways Private Limited

Particulars:

Facilities**	Amount (Rs.Crs.)	Tenure	Ratings#
Fund Based	567.37	Long Term	BWR A-/Stable Assignment
<i>Sub- total</i>	<i>567.37</i>		
Grand Total	567.37	(Rupees Five Hundred Sixty Seven Crores and Thirty Seven Lacs only)	

#Please refer to BWR website www.brickworkratings.com for definition of the ratings

**Details of Bank Loan facilities, consolidation or instruments are provided in Annexure

RATING ACTION/OUTLOOK:

Brickwork Ratings has assigned ratings of BWR A- with a stable outlook for the Rs. 567.37 Crs. Bank loan facilities of Hoskote Malur Highways Private Limited (HMHPL)

The rating reflects the benefits derived from the experienced promoter and sponsor groups, Shrem Group and Bharat Vanijya Eastern Private Limited (BVEPL). Both groups possess extensive expertise in road projects and a demonstrated track record of completing projects within established time and cost parameters. BVEPL also serves as the EPC and O&M contractor for the project. The project is a brownfield project, and construction material is available in the close vicinity of the project stretch, which increases the probability of early completion without any cost or time overrun. Furthermore, the project is a rigid pavement, which requires no overlay and reduces routine maintenance during the O&M period. The rating also considers receipt of ROW, financial Tie-ups, support undertakings from promoters, an adequate debt structure, and the inherent advantages of the Hybrid Annuity Model (HAM) structure. These strengths are partially offset by inherent implementation and construction risk, noting that the Appointed Date was received on January 06, 2026.

KEY RATING DRIVERS

Credit Strengths-:

Benefits of HAM and receipt of ROW and approvals- The company has secured the 87.23% ROW till November 12, 2025, against the requirement of 80% before the appointed date and balance 20% within 8 months from the appointed date in line with the Concession Agreement (CA). Further, all requisite approvals are in place required during the construction phase. The project has

successfully achieved its Appointed Date on January 06, 2026. Additionally, CA provides for the payment of damages to the Concessionaire and Change of Scope in case the balance land is not allotted within the desired timeline. Moreover, HMMPL has entered into a fixed-price, fixed-time EPC and O&M contract with Bharat Vanijya Engineering Private Limited (BVEPL). BVEPL brings over four decades of expertise to the construction sector, with a demonstrated track record of completing 14 road projects within budgeted time and cost parameters over the last decade.

Low funding risk- The total project cost estimated by the Concessionaire is Rs 1013.11 crore. The company has secured the Financial Tie-up for the project by achieving Financial closure on January 06, 2026. The project will be funded through KSHIP-Grant of Rs. 256.62 Crore, Debt of Rs. 567.37 Crore, and the remaining cost will be funded through promoter/ sponsor contributions. Further, the disbursement is scheduled to commence upon 15% upfront promoter/ sponsor contribution and receipt of the first grant from KSHIP. Additionally, an interest-bearing mobilisation advance of 10% of the estimated construction cost may be requested from KSHIP. Funding risk is considered low given the secured debt, tie-up, and financial closure. Furthermore, the promoters have provided an undertaking to ensure financial support in the event of cost overruns or cash flow mismatches during both the construction and operational phases.

Support Undertakings from Promoters: Pursuant to the facility agreement, Shrem Tollway Private Limited and Bharat Vanijya Engineering Private Limited (BVEPL) serve as the project sponsors, while Chhatwal Group Trust (CGT) and BVEPL are the designated promoters. The promoters and sponsors have jointly and severally undertaken to fund the equity contribution. Furthermore, the promoters have committed to funding the contingencies, including any increase in the project cost, shortfalls in operations and maintenance (O&M) and major maintenance (MM) expenses exceeding base case estimates, shortfalls in reserve creation or those resulting from damages levied by the authority and increases in direct or indirect tax expenses. Additionally, CGT has executed a deed of guarantee to cover debt servicing obligations. This guarantee will expire upon funding of DSRA or making the 1st repayment instalment, whichever is earlier.

Adequate Debt Structure: The loan is scheduled to be repaid in 20 bi-annual instalments, commencing after an eight-month moratorium period following the scheduled Commercial Operation Date (COD). The debt structure incorporates several credit enhancement features, including a cash flow waterfall mechanism, a right to cash sweep for lenders, and specific restricted payment conditions. Furthermore, a Debt Service Reserve Account (DSRA), covering six months of interest and one principal payment, will be established using the first and second annuity payments. As per the financial covenants, a minimum Debt Service Coverage Ratio (DSCR) of 1.25x must be maintained throughout the tenure of the loan.

Credit Weakness-:

Moderate implementation risk- The company currently faces moderate implementation risk as the project is in the initial stages of construction. The Appointed Date was received on January 06, 2026, and 87% of the Right of Way (ROW) is available as of this date. Project approvals required during the Construction Phase have been secured. Any delay in project implementation will remain a key rating sensitivity factor.

ANALYTICAL APPROACH

BWR has taken a standalone approach, considering the waterfall mechanism and restricted payment conditions defined in the financing documents. BWR has applied its rating methodology as detailed in the rating criteria.

KEY RATING SENSITIVITIES

Positive:

- Demonstration of significant project progress without any material cost or time overruns may lead to positive rating action
- Creation of DSRA as per the financing documents

Negative:

- Any delay in project progress exceeding three months from the scheduled timelines for reasons attributable to the concessionaire.
- Delays in equity injection or a lack of sponsor/promoter support regarding funding requirements.
- A deterioration in the credit profile of the sponsors, promoters, or the relevant authority.

LIQUIDITY INDICATORS Adequate

The Total Project Cost is estimated at Rs. 1013.11 crore. The EPC contract with the EPC Contractor BVEPL, is valued at Rs. 794 Crore, which aligns with the financing documentation. The total project cost is funded through KSHIP grants (Rs. 256.62 crore), sponsor contributions (Rs. 189.12 crore), and a term loan (Rs. 567.37 crore). The company has secured the financial closure, and to date, the sponsors and promoters have infused approximately Rs. 10 Crore. Further, as per the concession agreement, a mobilisation advance equivalent to 10% of the estimated construction cost is available. Accordingly, after achieving Appointed Date on 06-Jan-26, 50% of the first instalment of Mobilisation Advance was received on 09-Jan-26. Given the financial strength and industry experience of the sponsors, liquidity availability for the project is considered adequate.

COMPANY PROFILE

Macro Economic Indicator	Sector	Industry	Basic Industry
Services	Services	Transport Infrastructure	Road Assets–Toll, Annuity, Hybrid-Annu

Hoskote Malur Highways Private Limited is a Special Purpose Vehicle (SPV) Company incorporated by the sponsors to undertake the development of the road from Hoskote to Malur, including an elevated corridor at Malur along SH-95 & SH-168 up to Malur Industrial Area of SH-168 in the state of Karnataka on DBFOMT (Annuity). STPL and BVEPL consortium won the project based on the competitive bidding process by emerging as the L1 bidder by quoting a bi-annual annuity amount of Rs. 69 Cr. HMHPL executed a concession agreement with KSHIP on 17th October 2025. The concession period is 15 years, including three years of the construction period.

KEY FINANCIAL INDICATORS

Key Parameters	Units	FY23	FY24	FY25
		Audited	Audited	Audited
Total Operating Income	Rs. crs.	NA	NA	NA
EBITDA	Rs. crs.	NA	NA	NA
Net Profit	Rs. crs.	NA	NA	NA
Tangible Net Worth	Rs. crs.	NA	NA	NA
Total Debt / Tangible Net Worth	Times	NA	NA	NA
Current Ratio	Times	NA	NA	NA

The financial summary is not applicable as the project is under construction. The company was incorporated in 15th October 2025 with an authorised capital of Rs. 1 lakh

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: Standard Covenant as per the sanction letter

NON COOPERATION WITH PREVIOUS RATING AGENCY(IF ANY) - NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawn/suspended ratings)

Facility	Current Rating (2026)			Rating History		
	Type (Long Term/ Short Term)	Amount (Rs. Crs)	February 2026	2025	2024	2023
Fund Based (Term Loan)	Long Term	567.37	BWR A-(Stable) Assigned	NA	NA	NA
Total		567.37	(Rupees five hundred sixty seven crores and thirty seven lacs only)			

Hyperlink/References to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector Ratings](#)
- [Rating Criteria-Rating of HAM road projects](#)

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Hoskote Malur Highways Private Limited

ANNEXURE - I Details of Bank Loan Facilities rated by BWR:

Sl. No.	Name of the Bank/Lender	Type Of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the Instrument
1	National Bank for Financing Infrastructure and Development (NaBFID)	Term Loan-Sanctioned	567.37	-	567.37	Simple
Total			567.37	-	567.37	
(Rupees five hundred sixty seven crores and thirty seven lacs only)						

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com / download / [ComplexityLevels.pdf](#). Investors' queries can be sent to info@brickworkratings.com.

ANNEXURE - II Details of NCDs rated by BWR: Nil

ANNEXURE-III List of entities consolidated: Nil

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