Rating Rationale

28 July 2026

Rehla-Garhwa Highways Pvt. Ltd

Brickwork Ratings assigns the rating of BWR AAA (Stable) for the Bank Loan facilities of Rs 371 Crs. of Rehla-Garhwa Highways Pvt. Ltd

Particulars

Facilities	Tenure	Present Amount (₹ Cr)	Present Rating
Fund Based	Long Term	**320.04**	**BWR AAA (Stable) (Assignment)**
Fund Based (Proposed)#	Long Term	**50.96**	**BWR AAA (Stable) (Assignment)**
Total		**371.00**	**(Rupees Three Hundred Seventy One Crores Only)**

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
** Details of facilities is provided in Annexure-I&II
BWR has relied upon audited financials up to FY26 and financial and cash flow projections provided by the company
#Ratings on proposed facilities are valid only until the facility is availed.

DETAILED RATIONALE FOR RATING ACTION / OUTLOOK

BWR has assigned the ratings of BWR AAA(Stable) for the Bank Loan facilities of Rs 371 Crs. of Rehla-Garhwa Highways Pvt. Ltd..

The assigned ratings factor in rating strengths, such as low revenue and cash flow risk, realization risk, as NHAI backs the project under the Hybrid Annuity Model(HAM), Inherent benefits of HAM, and no project execution/construction risk; healthy debt protection metrics; however, ratings also factor in rating weaknesses, such as susceptibility to changes in operational cost and interest rate

Outlook-Stable: The stable outlook is assigned to the long-term ratings as the company is expected to benefit from the timely receipt of semi-annual payments from NHAI, as well as the operational and financial strength of the sponsor, Shivalaya Construction Limited

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: There are standard covenants as per the Sanction letter

KEY RATING DRIVERS

Rating Strengths-:

Low Revenue and cash flow risk realization risk as backed by HAM: The project has already received six annuity payments of Rs 64.81Crs exclusive of GST until FY 26, out of 60% of BPC from NHAI in the form of 30 semi-annual payments, starting six months from the PCOD. Along with fixed annuities, the project has already received interest on annuities of Rs 125.23 Crs exclusive of GST until FY 26, and will also receive interest payments on the balance annuities to be paid at Bank rate plus a spread of 3%. In addition, the company has also received the O&M payment amounting to Rs 8.66 Crs exclusive of GST until FY 26. In addition, the company has also received the GST of Annuity, Interest, and O & M payment amounting to Rs 35.88 Crs until FY 26, and is expected to receive the same in the medium to long term. The project's revenue model is highly secure and derived from three primary, inflation-indexed streams: Capital Annuities: 60% of the adjusted Bid Project Cost, paid out semi-annually over a 15-year concession period. Interest Income: Interest on the reducing balance of outstanding annuities, benchmarked at the Bank Rate plus 3%. O&M Payments: A base O&M receipt of Rs 2.80 Crs per year (derived from the initial bid quote). Inflation Indexing: All streams are adjusted via the Price Index Multiple (PIM), which is weighted at 70% Wholesale Price Index (WPI) and 30% Consumer Price Index (CPI). The project maintains an excellent operational record with zero performance-related penalties.

Inherent benefits of HAM and no project execution risk: HAM provides benefits such as issuance of PCOD on completion of construction on the land made available from the appointed date, allowing annuities to be paid proportionally to the completed work. Other benefits include indexation of the BPC and O&M cost to the extent of inflation and interest payments on the residual annuity in the operational period. The company achieved PCOD w.e.f. 15 March 2023, on ~20.21 km stretch (~90.38% of the total project length of 22.73 km), while the pending length was delinked due to encumbered land unavailability. As of June 2024, ~100.% of the hindered free length is complete, and ~0.09 km of the pending project stretch remained incomplete due to delays in handover by NHAI. This pertains to stretches Km 210+712 to 210+802 (Kabristan portion) and Service Road from Km 197+100 to 197+270 LHS. Further, the company has completed 100% of the project as of 10 March 2025, and the completion certificate for the same was received in Dec 2025, leading to no project execution risk. As of March 31, 2026, the sponsor had infused funds of Rs 138.31 crore, comprising equity and unsecured loans. Apart from the NHAI grant and sponsor infusion, debt of~ Rs 396 crore (of the sanctioned limit of Rs 398 crore) was drawn till 31 March, 2026. While no further cost and time overruns are expected currently, as the project is completed despite the earlier minor delay due to land handover from NHAI, SCL has provided an undertaking on financial support in case of a cost overrun or cash flow mismatch during the construction and operational phases, respectively.

Healthy debt protection metrics: The average DSCR is expected to be healthy at 1.54x till the tenure of debt. The company has already created a DSRA, equivalent to six months of debt servicing obligation (amounting to Rs 29.55 crore), in the form of FD. Apart from the DSRA, the company has created an MMRA of Rs 8.56 crore in the form of FD, in accordance with the base case financial plan. Any shortfall in the creation of DSRA and MMRA will be supported by the sponsor. Additionally, there is a gap of one month between the scheduled annuity payment date and the debt obligation date, which provides a cushion in case of delay in annuity payments.

Operational experience and financial strength of the sponsor: The company will continue to benefit from the operational know-how and financial strength of its sponsor. SCL is the O&M contractor and will be responsible for routine and periodic maintenance of the project stretch. SCL has vast experience in constructing high-quality roads in a timely manner and within the stipulated cost for over two decades. It is involved in the construction, upgradation, and maintenance of roads, including national and state highways, and rural roads. Also, SCL undertakes construction of buildings, minor bridges, and waterways. The company has undertaken and completed many construction projects across India. It is registered as a Class 1 government contractor with the governments of Haryana, Rajasthan, Jammu & Kashmir, Delhi, Jharkhand, Chhattisgarh, Punjab, and Madhya Pradesh. Further, the sponsor has provided an undertaking for financial support in case of a shortfall in DSRA, MMRA, and cash flow mismatches during the operational phase.SCL's order book is highly concentrated in the roads and highways segment, consisting entirely of contracts from central-government-backed counterparties. The revenue backlog is heavily anchored by premier authorities, including the NHAI (56%), Ministry of Road Transport & Highways through Public Works Department (6.01%), the National Highways and Infrastructure Development Corporation Limited (2.43%), and the Maharashtra State Infrastructure Development Corporation (1.5%).

Rating Weakness-:

Susceptibility to changes in operational cost and interest rate. The company is exposed to risks related to the maintenance of the project stretch. If the prescribed standards are not met, annuity payment may be reduced. Any significant delay and deduction in annuities could impact the debt servicing ability of the project. Furthermore, as operational expenses depend on inflation, any significant increase in these components could impact cash flow. However, this risk is mitigated as the sponsor, SCL, is expected to bear additional costs, if any, over and above the fixed prices as per the base case financial plan. However, to safeguard project liquidity against these heavy periodic outlays, the financing structure enforces the phased creation of a dedicated Major Maintenance Reserve. Along with fixed annuities, the project will receive interest payments on the balance annuities, which are linked to the bank rate of commercial banks. A reduction in interest rate may impact the project inflow as a large proportion of cash inflow is from the interest on balance annuities. This will be partially offset by the natural hedge or interest rate on debt, as it is floating with the External Benchmark rate and is expected to follow the trend in interest rates, thus keeping DSCR in check. Although the cushion in cash flow will help partly absorb the impact of such fluctuations, these components will be key to the rating moniterables

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA: BWR has applied a standalone approach as the project cash flows from this project are ringfenced/Escrowed and there is a waterfall mechanism

RATING SENSITIVITIES

Positive: NA

Negative:

- Significant delay in receipt of annuities or deduction in annuities and O&M payments or higher-than-expected maintenance cost
- Higher-than-expected drawdown of debt weakening the debt protection metrics or Weakening of DSCR below 1.18x
- Non-adherence to the structural features of the transaction, such as DSRA equivalent to 6 months of Principal repayment and interest for two quarters
- Significant weakening in the credit risk profile of sponsor, SCL and NHAI

LIQUIDITY INDICATORS(Adequate): As of June 2026, RGHPL had created and maintained a DSRA of Rs 29.55 Crs, equivalent to one principal and two quarters of interest obligations as required by the financing documents. RGHPL has created an MMR of Rs 8.56 Crs over and above the surplus liquidity of Rs 23.26 Crs.

COMPANY'S PROFILE: RGHPL is a Special Purpose Vehicle (SPV) incorporated by SCL to execute the four-laning of the Sankha-Khajuri stretch (Km 196.87 to Km 219.60) on National Highway-75. Awarded by the NHAI under the Hybrid Annuity Model (HAM), the project operates on a 17-year concession period (comprising 2 years of construction and 15 years of operations) commencing from the Appointed Date of October 7, 2021. Due to a reduction in the scope of work involving a bridge and toll plaza, the original Bid Project Cost (BPC) of ₹760 crore was downwardly revised to a Provisional COD (PCOD) cost of ₹754.8 crore, and ultimately finalized at ₹742.55 crore at the Commercial Operations Date (COD).

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Units	FY 2024	FY25	FY 26
Result Type		**Audited**	**Audited**	**Audited**
Operating Revenue	Rs. Crs	164.64	58.88	53.27
EBITDA	Rs. Crs	71.48	34.28	-34.14
PAT	Rs. Crs	31.76	2.88	-43.03
Tangible Net Worth	Rs. Crs	176.05	178.93	144.28
Tangible Net Worth Adjusted*	Times	191.1	195.39	167.82
Total Debt/ Tangible Net Worth	Times	1.66	1.55	2.46
Total Debt/Tangible Net Worth (Adjusted)	Times	1.55	1.44	2.19
Current Ratio	Times	2.67	6.87	1.23

**Adjusted for Unsecured Loans, which are considered quasi-equity as these are subordinated to senior debt*

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

ESG: Managing a HAM project addresses ESG by ensuring timely statutory clearances, monitoring construction and O&M impacts, and maintaining strong governance controls. In highway projects, the ESG approach involves more than meeting legal minimums; it also covers sustainable practices such as resource conservation, safety improvement, climate resilience, and better stakeholder engagement.
Environmental compliance: EIA/permits, dust/noise control, waste handling, borrow area management, water protection, and biodiversity safeguards.
Social compliance: land acquisition, resettlement support, livelihood restoration, community access, grievance redressal, and stakeholder communication. Safety and health: worker PPE, contractor safety controls, road-user safety, incident management, and emergency response readiness.

Safety and health: Worker PPE, contractor safety controls, road-user safety, incident management, and emergency response readiness.
Governance controls: transparent procurement, contract compliance, audit trails, reporting, and oversight of contractors/subcontractors. Sustainability actions: use of recycled or alternative materials, energy efficiency, climate resilience measures, and maintenance practices that reduce lifecycle resource use.

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

Sl. No.	Facilities	Current Rating			Rating History		
		Tenure	Amount (Rs Crs)	**Rating**	**2025**	**2024**	**2023**
1	Fund Based	Long Term	320.04	BWR AAA (Stable) (Assignement)	-	-	-
2	Fund Based (Proposed)	Long Term	50.96	BWR AAA (Stable) (Assignement			
	Total		371.00	**(Three Hundred Seventy One Crores Only)**			

ANY OTHER INFORMATION: NA

Hyperlink/Reference to Applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Infrastructure Sector Ratings**
- **Rating of HAM road projects**

Analytical Contacts	
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Rehla-Garhwa Highways Pvt. Ltd

ANNEXURE I

Details of Bank Loan Facility rated by BWR :

Name of the Bank	Facilities	Tenure	Amount (in ₹ Cr.)	Complexity
Canara Bank	Term Loan	Long Term	320.04	Simple
Proposed	Term Loan	Long Term	50.96	Simple
TOTAL (Rupees Three Hundred Seventy One Crores Only)			**371.00**	

***For more information,** visit www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II

INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS:

ANNEXURE III

List of entities consolidated: NA

ANNEXURE 1V

List of instruments and regulators

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below

Instrument/Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) [1]	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)-[1]	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)-[1]	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs -[2]	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme -[3]	-
Issuer Ratings [4]	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	~~MCA~~
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) -[1]	Investor-side Regulator such as IRDAI, PFRDA[5]
Monitoring Agency	SEBI
Research activities, incidental to rating, such as research for Economy, Industries and Companies [6]	NA

- Includes securitisation transactions involving assignee payout, acquirer's payout.
- Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
- The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), BWR shall separately capture the rated quantum details along with names of respective regulators.
- There is no instrument being rated and hence, Regulator of the Instrument is not applicable.
- These ratings were assigned during the regulatory regime prior to the introduction of the SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor-side regulators have been included.
- Permitted by SEBI vide SEBI Master Circular for CRAs

Grievance Management: For any grievances relating to the rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com**. Kindly note that for activities or 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
For any grievances relating to the rating of instruments regulated by other FSR (Financial Sector Regulators), please contact **grievance@brickworkratings.com**

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