



Press Release

February 23, 2026

GMR AMBALA CHANDIGARH EXPRESSWAYS PRIVATE LIMITED Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	103.48	ACUITE BBB- Stable Reaffirmed	-
Non Convertible Debentures (NCD)	72.81	ACUITE BBB- Stable Reaffirmed	-
Total Outstanding	176.29	-	-
Total Withdrawn	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating at ‘**ACUITE BBB-**’ (read as **ACUITE triple B minus**) on the Rs. 103.48 crore bank facilities of GMR Ambala Chandigarh Expressways Private Limited (GACEPL). The outlook is ‘**Stable**’.

Acuite has reaffirmed the long-term rating at ‘**ACUITE BBB-**’(read as **ACUITE triple B minus**) on the Rs. 72.81 crore Non- Convertible Debentures of GMR Ambala Chandigarh Expressways Private Limited (GACEPL). The outlook is ‘**Stable**’.

Rationale for Rating

The reaffirmation of the ratings factors in the improvement in toll collections and the company’s adequate liquidity position, supported by free fixed deposits of Rs. 87.8 crore maintained in the escrow account as on 19 September 2025. Additional comfort is derived from the presence of a DSRA of Rs. 5.20 crore and the established escrow mechanism with a defined waterfall structure. The average cumulative DSCR for the period FY26 to FY28 also remains comfortable.

However, these strengths are partially offset by the ongoing litigation with NHAI regarding the negative grant, as well as the inherent susceptibility of toll collections to fluctuations in traffic volumes.

About the Company

Bangalore Based, GMR Ambala Chandigarh Expressways Private Limited it is incorporated in 2005. The Company engaged in development of highways on build, operate and transfer model on toll basis. This entity is a Special purpose Vehicle which has entered into a Concession Agreement with National Highways Authority of India for carrying out the project of Design, Construction, Development, Improvement, Operation etc. between Ambala and Chandigarh at NH21. Currently Mr. Bangaru Raju Obbilisetty Mr. Mani Santosh Bommidala, Mr. Arun Kumar Sharma, Ms. Kavitha Gudapati and Mr. Bajrang Lal Gupta are the directors of the company.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has taken a standalone view of the business and financial risk profile to arrive at the rating of GACEPL.

Key Rating Drivers

Strengths

Established track record in toll collection

The company is operating & collecting toll since achieving COD in 2008. GACEPL, wholly owned subsidiary of GMR Group, having vast and long track of experience for more than three decades of managing PPP projects. However, the

operations were affected in FY 21 due to pandemic & farmers' protest. As of now, increased toll collection has been seen in the operating profile of the company in current financial year and expected to continue with the aid of strong promoter group which has been extended in the form of Compulsory Convertible Debentures which stood at Rs. 211 Crore. Acuite believes that the GACEPL will continue to benefit from its extensive experience of the promoters in medium to long term.

Improving Toll Collections

The company recorded toll collections of Rs. 132.41 crore in FY25, translating to an average daily collection of Rs. 36.28 lakh. The higher-than-normal toll revenue during FY25 was primarily driven by the closure of the Shambu border (NH-44), which resulted in diversion of traffic benefiting the GMR toll plaza. The incremental toll collections contributed to a cash surplus, maintained in the form of fixed deposits. Following more than a year of closure, the Shambu border was reopened in March 2025, after which toll collections have normalized. The company has collected Rs. 64.30 crore in toll revenue up to December 2025. Further, the company has received Rs. 4.95 crore of compensation from NHAI on account of implementation of Fastag Annual Pass from August 2025. Acuite believes that the company will continue to generate sufficient toll collections to meet its scheduled debt obligations.

Weaknesses

Ongoing Litigation with NHAI

As per the Concession Agreement dated November 16, 2005, the company was obligated to pay a negative grant of Rs. 174.75 crore over the concession period. The company has contested the levy of interest on the negative grant for the duration of the Force Majeure event arising from the farmers' protest, during which toll collection remained suspended. The company maintains that the interest on the delayed negative grant is neither due nor payable to NHAI. The lead lender has also obtained a legal opinion indicating that, even if such interest is eventually deemed payable, it would rank subordinate to debt-servicing obligations under the waterfall mechanism. Notwithstanding this, NHAI issued a letter dated August 2, 2025 demanding Rs. 70.40 crore towards interest on delayed negative grant. In the absence of any binding order from a court or arbitral tribunal, the lenders have not acted upon this demand. The matter remains sub judice before the Delhi High Court. Acuite notes that the progress and outcome of these proceedings will remain a key monitorable, and any adverse development may have implications for the company's credit profile and ratings.

Susceptibility of toll collection towards traffic volumes

The project's cash flows are entirely dependent on toll revenues, making operations inherently vulnerable to fluctuations in traffic volumes. Traffic movement is closely linked to the level of economic activity in the surrounding region, and any event or regulatory intervention that disrupts or alters traffic patterns may exert pressure on toll collections, thereby impacting the company's cash flows. In such scenarios, the company may be reliant on timely support from the sponsor to bridge any shortfalls.

Rating Sensitivities

- Movement in Toll Collections
- Any adverse impact on ongoing litigation with NHAI

All Covenants

The borrower shall ensure the following financial ratios have been maintained during the tenure of the respective facilities.

Financial covenants stipulated post implementation of resolution plan:

Parameters	Benchmark
Adj. average DSCR	≥ 1.25

Post implementation of resolution plan, that DSCR shall be calculated as per the formula stated in the TEV report. The DSCR shall be maintained at an average rate of 1.25 from the cut-off date to the end of the concession period.

The borrowers shall, based on its audited annual financial statements, provide a certificate to the lender certifying DSCR achieved in that financial year.

Liquidity Position

Adequate

The company's liquidity position remains adequate, supported by healthy cash accruals that are sufficient to meet annual debt-servicing obligations. Liquidity is further strengthened by free fixed deposits of Rs. 87.8 crore as on 19 September 2025, along with the presence of a Debt Service Reserve Account (DSRA) of Rs. 5.20 crore. Additionally, toll revenues are routed through an escrow account operating under a defined waterfall mechanism, providing further cash-flow discipline. The average cumulative DSCR for the period FY26–FY28 is expected to remain comfortable. Acuite believes

that, aided by improving toll collections, the company will remain adequately positioned to service its scheduled debt obligations in a timely manner.

Outlook - Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	132.41	81.15
PAT	Rs. Cr.	(5.59)	(27.24)
PAT Margin	(%)	(4.22)	(33.57)
Total Debt/Tangible Net Worth	Times	(0.99)	(0.73)
PBDIT/Interest	Times	3.99	1.82

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Feb 2025	Proposed Long Term Bank Facility	Long Term	0.02	ACUITE BBB- Stable (Assigned)
	Non-Convertible Debentures (NCD)	Long Term	72.81	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	31.70	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	29.26	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	26.90	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	10.98	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	4.62	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE655H07015	Non-Convertible Debentures (NCD)	01 Nov 2023	0.01	30 Jun 2027	72.81	Simple	ACUITE BBB- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.50	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2027	25.11	Simple	ACUITE BBB- Stable Reaffirmed
CENTRAL BANK OF INDIA	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2027	24.50	Simple	ACUITE BBB- Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2027	22.92	Simple	ACUITE BBB- Stable Reaffirmed
BANK OF MAHARASHTRA	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2027	9.14	Simple	ACUITE BBB- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2027	4.31	Simple	ACUITE BBB- Stable Reaffirmed

Contacts

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