Crisil Ratings

Rating Rationale

November 14, 2025 | Mumbai

Mahua Bharatpur Expressways Limited

Rating reaffirmed at 'Crisil AAA / Stable'

Rating Action

Rs.125 Crore Non Convertible Debentures	**Crisil AAA/Stable (Reaffirmed)**

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil AAA/Stable' rating on the non-convertible debentures (NCDs) of Mahua Bharatpur Expressways Ltd (MBEL, part of Cube Highways Trust [CHT, rated 'Crisil AAA/Stable/Crisil A1+']).

Crisil Ratings has **withdrawn** its rating on non-convertible debentures of Rs 20 crore as the same were redeemed in October 2025. The withdrawal is in line with Crisil Rating's withdrawal policy (See Annexure 'Details of rating withdrawn' for details). Crisil Ratings has received an independent confirmation and other relevant documents that these instruments are fully redeemed.

The company's project stretch is strategically located traversing through national highway (NH) 21, that connects two growing urban centers of Jaipur and Agra. Toll revenue grew by 8.8% and 7.7% in the first six months of fiscal 2026 (H1 2026) and fiscal 2025, respectively, backed by healthy traffic growth and timely toll rate hike, linked to inflation. The rating continues to reflect the healthy traffic potential of the project, backed by its strategic location and sound operational track record, robust debt protection metrics, supported by presence of a tight escrow mechanism with a well-defined payment waterfall, debt service reserve (DSR) of nine months of debt obligation, major maintenance reserve (MMR) and an experienced management team. These strengths are partially offset by susceptibility of toll revenue to variations in traffic volume, development of alternate routes or modes of transport, or changes in tolling policy.

Analytical Approach

Crisil Ratings has assessed the standalone business and financial risk profiles of MBEL. Further, the company will continue to benefit from the synergies arising out of its association with CHT.

Shareholder loans of Rs 52 crore as on March 31, 2025 (Rs 86 crore as on March 31, 2024), from sponsor, CHT. This is because these loans carry an interest rate higher than MBEL's external debt and are being repaid gradually. Nevertheless, these loans are subordinate to the rated facilities and interest payments, and principal repayments can only be made through the distribution account, after meeting restricted payment conditions.

Key Rating Drivers - Strengths

Healthy traffic potential of the project, backed by its strategic location and sound operational track record

The project traverses through NH-21 (erstwhile NH-11) that connects cities of Agra to Jaipur, through the stretches of Agra–Bharatpur, Bharatpur–Mahua, and Mahua–Jaipur. The stretch achieved its commercial operations date in May 2009 and has an operational track record of more than 16 years, of which the operations for 10 years have been managed by Cube Highways group. The stretch has shown a compound annual growth rate (CAGR) of 4.5% in traffic over this period through fiscal 2025.

While Jaipur and Agra are important tourist destinations driving the passenger traffic potential, commercial vehicles (CVs) contribute over 56% of project revenue catering to nearby marble and cement plants and sand mining sites as well as transportation of building materials etc. Toll revenue has grown by around 9% in H1 2026 on y-o-y basis, backed by healthy traffic growth and timely toll rate hike. Further, toll revenue recorded a CAGR of 6.1% in past five fiscals ending 2025. The toll rate is linked to the wholesale price index (WPI) and revised every year on July 1, based on WPI as of March 31, of that year.

Strong debt protection metrics, supported by low debt

Debt service coverage ratio was strong at 2.77 times (Crisil Ratings adjusted) for fiscal 2025 and the average DSCR is expected to remain comfortable at 2.3-2.5 times over the remaining tenure of the debt. The project has a healthy cash flow generating capacity and low debt as reflected in debt-to-toll revenue ratio of 1.07 times as on March 31, 2025 (excluding shareholder loans).

While MBEL was transferred to CHT in April 2023, debt at the special purpose vehicle continues and is prioritised over distributions to the trust. Debt protection metrics should remain strong over the balance tenure of the debt, i.e., 4.5 years, backed by adequate cushion in cash flow and steady growth in toll revenue. There are no plans to raise incremental debt on the company's book and, thus, any additional debt contracted will be a key rating sensitivity factor.

Tight escrow mechanism with a well-defined payment waterfall, presence of DSR and MMR
The waterfall mechanism ensures that toll collection will be escrowed and used to meet the principal and interest payments on NCDs, post payment of taxes, statutory dues, and operations and maintenance (O&M) expense. Moreover, a DSR equivalent to nine months of debt obligations is being maintained in the form of cash/fixed deposits. This has to be maintained on an ongoing basis till the end of the tenure of NCDs. Furthermore, the structure stipulates that if the DSCR drops below 1.5 times, the entire surplus generated by the asset will be trapped in the cash retention account.

The DSCR is checked quarterly for the trailing 12 months. In addition, the funds are transferred on a quarterly basis to the distribution account only once the amount equivalent to the semi-annual debt obligation is provided for or paid. The structure also stipulates the creation and reinstatement of an MMR.

Experienced management team
The asset is managed by CHT which owns and operates 27 assets spanning 8,819 lane kilometre (km) across 12 states and 1 union territory in India as on September 30, 2025. The project manager, Cube Highways and Transportation Assets Advisors Pvt. Ltd, is run by experienced professionals and has an in-house O&M team, and MBEL is expected to continue to benefit from synergies arising out of its association with CHT.

Key Rating Drivers - Weaknesses
Susceptibility to fluctuations in traffic volume
The stretch remains vulnerable to variations in traffic volume owing to the seasonal variations in vehicular traffic, diversion of traffic to any alternate routes or development of alternative routes/modes. Susceptibility to economic downturns could adversely impact the traffic volumes on the project stretch and this remains monitorable.

Susceptibility to risks inherent in toll road projects
Toll collection is the only source of revenue, and hence, any volatility because of factors such as toll leakage, lack of timely increase in rates, fluctuation in WPI-linked inflation could adversely impact cash flow. Force majeure events can impact cash flow and, consequently, debt protection metrics of the projects till the time these are resolved, and tolling is resumed. These risks are partially mitigated by remedies for force majeure events as defined in the concession agreement, however, these are typically in the form of extension of concession period and do not address possible cash flow mismatches during such events. In certain force majeure events, cash compensation is also available to the concessionaire as per the terms of the concession agreement.

Liquidity Superior
Strong cash flow cushion is reflected in DSCR of 2.77 times (Crisil Ratings adjusted) in fiscal 2025. Further, the average DSCR is expected to remain comfortable at 2.3-2.5 times throughout the remaining tenure of the debt. Toll revenue of over Rs 115 crore should suffice to cover debt obligation of Rs 28-30 crore over the next three fiscals. Further, DSR equivalent to nine months of debt servicing obligation amounting to Rs 25 crore and MMR of Rs 37 crore is being maintained as on September 30, 2025.

Outlook Stable
Crisil Ratings believes the debt protection metrics of MBEL will remain strong over the medium term, backed by healthy traffic potential of the stretch, coupled with annual toll rate hikes.

Rating sensitivity factors
Downward factors
- Lower-than-expected traffic volumes by more than 10% on a sustained basis or higher-than-expected costs, leading to lower toll collections and weakening of debt protection metrics
- Drawing of any incremental debt without adequate improvement in cash flow, impacting DSCR
- Non-adherence to debt structure

About the Company
MBEL was originally promoted by Madhucon Projects Ltd (Madhucon) as Madhucon Agra Jaipur Expressways Ltd. Madhucon sold the project to Cube Highways group in March 2016. The company was renamed MBEL on February 18, 2017 and transferred to CHT in April 2023. CHT holds 99.97% stake in the company, while the Madhucon group holds the balance.

The project is a 57-km stretch on the Jaipur-Agra NH 21 (erstwhile NH 11) in Rajasthan, under the build, operate, transfer (BOT) toll model, linking Mahua and Bharatpur. The project is a 25-year concession awarded by the National Highways Authority of India (NHAI, rated ‘Crisil AAA/Stable’). The project started toll collection in May 2009 and has balance concession life of around six years.

Key Financial Indicators

Particulars	Unit	2025	2024
Revenue (from operations)	Rs crore	118	108
Profit after tax (PAT)	Rs crore	45	22
PAT margin	%	37.8	20.2
Adjusted debt / adjusted net worth	Times	3.7	72.5
Interest coverage	Times	3.35	2.08

Any other information: Not applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

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Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
INE835H07104	Non Convertible Debentures	16-Oct-17	8.40	05-Oct-26	21.00	Simple	Crisil AAA/Stable
INE835H07112	Non Convertible Debentures	16-Oct-17	8.40	04-Oct-27	22.00	Simple	Crisil AAA/Stable
INE835H07120	Non Convertible Debentures	16-Oct-17	8.40	03-Oct-28	25.00	Simple	Crisil AAA/Stable
INE835H07138	Non Convertible Debentures	16-Oct-17	8.40	03-Oct-29	25.00	Simple	Crisil AAA/Stable
INE835H07146	Non Convertible Debentures	16-Oct-17	8.40	29-Mar-30	12.00	Simple	Crisil AAA/Stable

Annexure - Details of Rating Withdrawn

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
INE835H07096	Non Convertible Debentures	16-Oct-17	8.40	03-Oct-25	20.00	Simple	Withdrawn

Annexure - Rating History for last 3 Years

	Current			2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating

Non Convertible Debentures	LT	125.0	Crisil AAA/Stable		--	15-11-24	Crisil AAA/Stable	20-11-23	Crisil AAA/Stable	24-11-22	Crisil AAA/Stable	Crisil AAA/Stable

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for Infrastructure sectors (including approach for financial ratios)

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