IRB InvIT Fund — 31 Mar 2026 Credit Rating Summary

Section	Details
Agency	CARE Ratings Ltd.
Rating Change	**Reaffirmed** at CARE AAA (No notches moved)
Outlook (Current vs Previous)	**Stable** / **Stable**
Key Drivers of Change	1. **Massive Portfolio Expansion:** Acquired 4 assets for ~₹9,892 Cr, increasing scale and geographic hedging across 7 states. 2. **Capital Infusion:** Raised ₹10,674 Cr via institutional placement/debt, demonstrating strong capital market access. 3. **Revenue Growth:** Adjusted toll collections grew 11% in 9MFY26; HAM assets provide stable, annuity-based cash visibility. 4. **Leverage Management:** Despite heavy acquisitions, Net Debt/EV is capped at 49% (currently 44%), maintaining a "AAA" cushion.
Rated Instruments	1. Long-term Bank Facilities: **₹2,501.11 Cr**
Key Observations	**Strengths:** • Diversified portfolio (8 Toll, 2 HAM) with ~12-year track record reduces regional traffic risk. • Fixed-price O&M contracts with sponsor (IRBIDL) shield the InvIT from inflation/cost overruns. • Cash flow pooling at SPV level ensures robust debt servicing. **Risks:** • Net leverage jumped from **30% (Mar-25) to 44% (Dec-25)** post-acquisition. • Interest Coverage moderated from **4.29x to 3.43x** due to higher debt and asset mix changes. • Vulnerable to political/local disruptions (e.g., Kaithal toll hit by farmer protests).
Investor Impact	• **Growth:** Aggressive inorganic growth strategy (₹9,892 Cr deployment) scales the distribution base. • **Margins:** DSCR moderated; HAM assets offer lower but more stable margins than pure toll roads. • **Leverage:** Debt headroom is narrowing (44% vs 49% internal target); future acquisitions may require more equity. • **Dilution:** Recent acquisitions were partly funded by institutional placement, impacting DPU (Distribution Per Unit) math.
Agency / Cross Analysis	**Same Agency:** CARE maintains its highest rating despite a significant jump in leverage (1,400 bps increase). The agency views the transition from 100% toll to a Toll+HAM mix as a stabilizer for the credit profile. The reduction in rated bank facilities (from ₹2,728 Cr to ₹2,501 Cr) reflects scheduled repayments and refinancing. **Conclusion: Improvement in scale but slight deterioration in leverage headroom.**
Final Inference	**Real Credit Stability:** The "AAA" reaffirmation confirms that the InvIT's aggressive acquisition phase is well-supported by equity raises and stable HAM annuities, though the jump in leverage to 44% reduces the margin for error for future debt-funded growth.