

Rating Rationale

Adani Rail Infra Pvt. Ltd.

2 Apr 2019

Brickwork Ratings affirms the Rating of the NCD Issues aggregating Rs.1350 Cr of Adani Rail Infra Pvt. Ltd. (which previously had a ‘Provisional’ rating).

Particulars

Instruments	Issue Amount Rs Cr	Revised Amts	ISIN	Issue Date	Previous Maturity Date	Previous Rating (March 2019)	Rating based on current review
Zero Coupon Secured Unlisted Rated Redeemable NCDs TRANCHE 1.	500	500	INE00U207069	29/03/2019	29/04/2023	Provisional BWR AA-(SO) (Stable)	BWR AA- (SO) (pronounced as BWR Double A Minus) (Structured Obligation) Outlook: Stable Affirmation
Zero Coupon Secured Unlisted Rated Redeemable NCDs TRANCHE 2.	500	500	INE00U207093	29/03/2019	29/04/2023	Provisional BWR AA-(SO) (Stable)	BWR AA- (SO) (pronounced as BWR Double A Minus) (Structured Obligation) Outlook: Stable Affirmation
Zero Coupon Secured Unlisted Rated Redeemable NCDs	265	265	INE00U207077	29/03/2019	22/04/2022	Provisional BWR AA-(SO) (Stable)	BWR AA- (SO) (pronounced as BWR Double A Minus) (Structured Obligation) Outlook: Stable Affirmation
Zero Coupon Secured Unlisted Rated Redeemable NCDs	85	85	INE00U207085	29/03/2019	22/04/2020	Provisional BWR AA-(SO) (Stable)	BWR AA- (SO) (pronounced as BWR Double A Minus) (Structured Obligation) Outlook: Stable Affirmation
Total	1350	1350 (Rupees One Thousand Three Hundred and Fifty Crore Only)					

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

As per rating rationale dated [March 26, 2019](#) Provisional rating was assigned to the proposed NCDs aggregating Rs.1350 Cr of ARIPL based on the draft term sheet. Information Memorandum and Debenture Trust Deed for these NCD issues have been executed on March 27, 2019 and based on the same the provisional rating is affirmed.

Other outstanding NCD ratings of Adani Rail Infra Pvt. Ltd are:

Instru- ments	Amo- unt	Iss- ue Da- te	Cou- pon	Matur- ity	ISIN	Previous Rating (MMYY)	Rating Based on Current Review
NCD*	₹ 480 Cr	18J- ul- 2018	Zero Coupon with redempti- on premi- um	16-Apr- 2020	INE00U207 010	BWR AA-(SO) (Stable)	Reaffirmation of existing rating BWR AA- (SO) (Outlook: Stable)
NCD*	₹ 300 Cr	6-A- ug- 2018	Zero Coupon with redempti- on premi- um	27-Apr- 2020	INE00U207 036	BWR A+(SO) (Stable)	Reaffirmation of existing rating BWR A+ (SO) (Outlook: Stable)
NCD*	625cr	23 Aug- 2018	Zero Coupon with redempti- on premi- um	27-Apr- 2020	INE00U207 044	BWR A+(SO) (Stable)	Reaffirmation of existing rating BWR A+ (SO) (Outlook: Stable)
NCD*	₹ 1000 Cr	28 Sep- 2018	Zero Coupon with redempti- on premi- um	20-Apr- 2023	INE00U207 051	BWR AA-(SO) (Stable)	Reaffirmation of existing rating BWR AA- (SO) (Outlook: Stable)
NCD*	₹ 400 Cr	14- Oct- 15	10.50%	30-Apr- 2019	INE814H07 067	BWR AA-(SO) (Stable)	Reaffirmation of existing rating BWR AA- (SO) (Outlook: Stable)

*SO refers to Structured Obligation in the form of credit enhancement derived from the security of the pledged equity shares of listed Adani Group Companies.



Outstanding Bank Loan Rating which is reaffirmed, is as follows:

Facility*	Previous Limits	Limits (` Crs)	Tenure	Previous Rating	Rating based on current review (Reaffirmation)
Bank Term Loan	435.00	435.00	Long Term	BWR AA- (SO) (Pronounced as Double A Minus) Outlook - Stable	BWR AA- (SO) (Pronounced as Double A Minus) Outlook - Stable

SO refers to ‘Structured Obligation’ which indicates credit enhancement derived from the security cover of 1.5x by the pledge of listed equity shares of APSEZ.



Rationale / Description of Key rating drivers / Rating Sensitivities:

For description about the structure of the NCD aggregating Rs.1350 Cr of Rs.1200 Cr, kindly refer to [BWR rating rationale dated March 26, 2019](#).

Background - ARIPL

Adani Rail Infra Pvt. Ltd. (ARIPL), incorporated in July 2005, is 100% owned by S B Adani Family Trust through its nominees. It is into the business of commodity trading. It is the holding company of “Sarguja Rail Corridor Pvt. Ltd. – Rated BWR BBB+ (Stable).

Sarguja Rail Corridor Private Limited (SRCPL), a wholly-owned subsidiary of Adani Rail Infra Private Limited (ARIPL), is implementing a project envisaging construction of ~ 70 Km Private Siding from boundary of Parsa East & Kanta Basan coal blocks (“PE & KB mines”), located in Hasdeo Arand Coalfield in Surguja district of Chhattisgarh, to the nearest Indian Railway (“IR”) line at Surajpur station in Chattisgarh at a cost of Rs. 1982 Cr. The project has been commissioned in March 2018.

Financial Performance of the Issuer - ARIPL

Rs. Crore	FY18 (Audited)	FY17 (Audited)
Revenue	138.17	142.48
Operating profit	55.28	49.37
PAT	-5.97	0.13
Total Debt	648.00	629.88
TNW	52.52	58.49
Gearing	12.3	10.8

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2019)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	Jan 2019	2017	Date in 2015
1.	NCD	Long Term	500	BWR AA-(Stable)			
2.	NCD	Long Term	500	BWR AA-(Stable)			
3.	NCD	Long Term	265	BWR AA-(Stable)			
4.	NCD	Long Term	85	BWR AA-(Stable)			
6	NCD	Long Term	1000	BWR AA-(Stable)	BWR AA-(Stable)	BWR AA-(Stable)	
6.	NCD	Long Term	400	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	
7.	NCD	Long Term	480	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	
8.	NCD	Long Term	300	BWR A+ (SO) (Stable)	BWR A+ (SO) (Stable)	BWR A+ (SO) (Stable)	
9.	NCD	Long Term	625	BWR A+ (SO) (Stable)	BWR A+ (SO) (Stable)	BWR A+ (SO) (Stable)	
10.	Term Loan	Long Term	435	BWR AA-(SO) (Stable)	BWR AA-(SO)	BWR AA-(SO)	



					(Stable)	(Stable)	
	Total		4590 (Four Thousand Five Hundred and Ninety Crore Only)				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Structured Obligation](#)
- [Short term Debt](#)

For any other criteria obtain hyperlinks from website

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Note on complexity levels of the rated instrument:

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.



About Brickwork Ratings

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BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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