

Rating Rationale

Adani Infra (India) Ltd.

2 Apr 2019

Brickwork Ratings affirms the Rating of the NCD Issues aggregating Rs.875 Cr of Adani Infra (India) 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	135	135	INE701Q07125	28/03/2019	30/04/2021	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	215	215	INE701Q07117	28/03/2019	30/04/2020	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	525	525	INE701Q07133	28/03/2019	25/04/2022	Provisional BWR AA-(SO) (Stable)	BWR AA- (SO) (pronounced as BWR Double A Minus) (Structured Obligation) Outlook: Stable Affirmation
Total	875	875 (Rupees Eight Hundred and Seventy Five Crore Only)					

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

As per rating rationale dated [March 20, 2019](#) Provisional rating was assigned to the proposed NCDs aggregating Rs.875 Cr of AAIL 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 Bank Loan Ratings of AIL which are reaffirmed are:

Bank Loans:

Instruments	Previous Amount	Present Amount	Rating History (Jan 2019)	Present Rating
Fund Based – Long Term Loan	₹ 250 Cr	₹ 250 Cr	BWR AA- (SO) (Stable)	BWR AA- (SO) (Stable) Reaffirmed
Fund Based – Short term Loan	₹ 717 Cr	₹ 717 Cr	BWR A1+ (SO)	BWR A1+ (SO) (Reaffirmed)
Fund Based – Short term Loan	₹ 537 Cr	₹ 537 Cr	BWR A3 (SO)	BWR A3 (SO) (Reaffirmed)
Fund Based – Short term Loan	₹ 250 Cr	₹ 250 Cr	BWR A1 (SO)	BWR A1 (SO) (Reaffirmed)
Fund Based – Long Term Loan	₹ 800 Cr	₹ 800 Cr	BWR AA- (SO) (Stable)	BWR AA- (SO) (Stable) Reaffirmed
Fund Based – Long Term Loan	₹ 200 Cr	₹ 200 Cr	BWR BBB- (SO) (Stable)	BWR BBB- (SO) (Stable) Reaffirmed
Fund Based – Short Term Loan	₹ 950 Cr	₹ 950 Cr	BWR A3+ (SO)	BWR A3+ (SO) Reaffirmed
Total	₹3704 Cr	₹ 3704 Cr		

Other outstanding NCD ratings of Adani Infra (India) Ltd reaffirmed are:

Instruments	Amt	Issue Date	Coupon	Maturity	ISIN	Existing Rating (Jan 2019)	Current Rating
NCD	₹ 490 Cr	11-Jan-2019	Zero Coupon with redemption on premium	25-Apr-2020	INE701Q07109	BWR AA- (SO) (Stable)	Reaffirmation of existing rating BWR AA-(SO) (Outlook: Stable)
NCD	₹ 175 Cr	26-Mar-2018	Zero Coupon with redemption on premium	4-Apr-2019	INE701Q07091	BWR AA- (SO) (Stable)	Reaffirmation of existing rating BWR AA-(SO) (Outlook: Stable)

NCD	₹ 250 Cr	12-Oct-2017	Zero Coupon with redemption on premium	3-Apr-2020	INE701Q07059	BWR AA- (SO) (Stable)	Reaffirmation of existing rating BWR AA-(SO) (Outlook: Stable)
NCD	₹ 170 Cr	28-Sep-2017	Zero Coupon with redemption on premium	20-Apr-2020	INE701Q07042	BWR AA- (SO) (Stable)	Reaffirmation of existing rating BWR AA-(SO) (Outlook: Stable)
NCD	₹ 300 Cr	21-July-2017	Zero Coupon with redemption on premium	21-July-2021	INE701Q07026	BWR AA- (SO) (Stable)	Reaffirmation of existing rating BWR AA-(SO) (Outlook: Stable)
Total	₹ 1385 Cr						

Rationale / Description of Key rating drivers / Rating Sensitivities:

For description about the structure of the NCDs aggregating Rs.875 Cr, kindly refer to [BWR rating rationale dated March 20, 2019](#).

Background

Adani Infra (India) Ltd. (AIIL), established in 2010, is a 100% subsidiary of Adani Properties Pvt. Ltd. (APPL). It is an infrastructure development company with specialization in comprehensive engineering, project management and construction (EPC) services for power generation and transmission sector, and mainly caters to requirements of the Group companies. It is also involved in trading in various commodities. Board of Directors and senior employees comprises of professionals from Adani group.

The company is also used as a vehicle to raise debt and bank loans against various third party securities, and in turn lend to Adani group entities.

AIII: Financial Performance

Rs. Cr	FY16	FY17	FY18
	(Audited)	(Audited)	(Audited)
Operating Revenues	1143	646	674
Operating Profit	212	211	263
PAT	13	6	3.20
Total Debt	1550	1435	8925
Tangible Networth	81.14	77.15	85
Current Ratio	1.03	1.07	1.7

AIII's debt for during FY18 is backed by pledge of listed shares held by the promoters, and the same is raised for providing loans and advances to Group companies, or investing in their equity or instruments. As such, repayment of the debt will be out of the cash flows of the Group's operating companies.

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

Sl. No.	Instrument/Facility	Current Rating (Mar 2019)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	Jan 2019	Oct 2018	Oct 3, 2017
1.	NCD	Long Term	215	BWR AA- (SO) (Stable)			
2.	NCD	Long Term	135	BWR AA- (SO) (Stable)			
3.	NCD	Long Term	525	BWR AA- (SO) (Stable)			
4.	Term Loan	Long Term	250	BWR AA- (SO) (Stable)	BWR AA- (SO) (Stable)		
5.	Proposed NCD	Long Term	490	BWR AA- (SO) (Stable)	BWR AA- (SO) (Stable)		
6.	Term Loan	Short Term	717	BWR A1+ (SO)	BWR A1+ (SO)	BWR A1+ (SO)	
7.	Term Loan	Short Term	537	BWR A3 (SO)	BWR A3 (SO)	BWR A3 (SO)	

8.	Term Loan	Short Term	250	BWR A1 (SO) (Stable)	BWR A1 (SO) (Stable)	BWR A1 (SO) (Stable)		
9.	NCD	Long Term	175	BWR AA- (SO) (Stable)	BWR AA- (SO) (Stable)	BWR AA- (SO) (Stable)		
10.	Term Loan	Short term	950	BWR A3+ (SO)	BWR A3+ (SO)	BWR A3+ (SO)		
11.	Term Loan	Short term	800	BWR AA- (SO)	BWR AA- (SO)	BWR AA- (SO)		
12.	Term Loan	Long Term	200	BWR BBB- (SO) (Stable)	BWR BBB- (SO) (Stable)	BWR BBB- (SO) (Stable)		
14.	NCD	Long Term	170	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	
15.	NCD	Long Term	250	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	
16.	NCD	Long Term	300	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	BWR AA-(SO) (Stable)	
Total			5964 (Rupees Five Thousand Nine Hundred and Sixty Four 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

Analytical Contacts	Media
MSR Manjunatha Chief Ratings Officer analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.



DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.