

October 28, 2021

Indian Railway Stations Development Corporation Limited: Update on Material Event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based TL	1000.00	1000.00	[ICRA]A(Stable); outstanding
Long Term - Fund Based/ CC	30.00	30.00	[ICRA]A(Stable); outstanding
Total	1030.00	1030.00	

*Instrument details are provided in Annexure-1

Rationale

Material Event

The Railways Board, Ministry of Railways, Government of India has given 'in-principle' approval for closure of the Indian Railway Stations Development Corporation Limited (IRSDC). After completion of the process, all the railway stations currently managed by IRSDC shall be handed over to the respective Zonal Railways. The projects at the planning stage will be taken forward by the respective Zonal Railways.

Impact of Material Event

ICRA has taken note of the above development and will continue to monitor the developments in this regard. ICRA will take appropriate rating action as may be required. The rating considers its strong parentage, indirectly by the Government of India. ICRA notes that the company has not raised the proposed debt thus far. With the plan of handing over of projects to the Zonal Railways, the rated debt is not expected to be raised as IRSDC will cease to exist.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, liquidity position, rating sensitivities, key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Approach - Implicit parent or group support
Parent/Group Support	Parent/Group Company: Rail Land Development Authority (RLDA), a statutory authority under the MoR IRCON International Limited (IRCON), a GoI undertaking under the MoR, RITES Limited, a GoI undertaking under the MoR The rating factors in the expectations of timely financial support from the sponsors/MoR besides the technical and managerial support
Consolidation/Standalone	The rating is based on standalone financial statements of the issuer

About the company

IRSDCL is a special purpose vehicle incorporated in April 2012 as a 49: 51 joint venture company between RLDA (a statutory authority under the MoR) and IRCON (a GoI undertaking under the MoR). Later, in September 2017, the MoR decided to make

IRSDCL an equal ownership venture of IRCON and RLDA, with a 50% holding by each to provide more autonomy to the corporation. Subsequently, RITES acquired a 24% stake in the company, whereas the stake of IRCON reduced to 26%. IRSDCL has been restructured as a deemed Government company to enable it to function as an independent board-run company. A Managing Director and Functional Directors have been appointed with the prior approval from the MoR. In October 2018, IRSDCL was appointed as the nodal agency for station development programme in the country.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years				
	Type	Amount Rated (Rs. crore)	Amount Outstanding as of Oct 24, 2021 (Rs. crore)	Date & Rating		Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019	
				Oct 28, 2021	Jun 18, 2021				
1 Long Term - Fund Based TL	Long-term	1000.0	0.0*	[ICRA]A(Stable)	[ICRA]A(Stable)	[ICRA]A(Stable)	[ICRA]A(Stable)	-	
2 Long Term - Fund Based/ CC	Long-term	30.0	-	[ICRA]A(Stable)	[ICRA]A(Stable)	[ICRA]A(Stable)	[ICRA]A(Stable)	-	

*Limits are not yet sanctioned

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term - Fund Based TL	Simple
Long Term - Fund Based/ CC	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term - Fund Based TL*	NA	NA	NA	1000.0	[ICRA]A(Stable)
NA	Long Term - Fund Based/ CC*	NA	NA	NA	30.0	[ICRA]A(Stable)

Source: Company

*Limits are not yet sanctioned

Annexure-2: List of entities considered for consolidated analysis – Not Applicable

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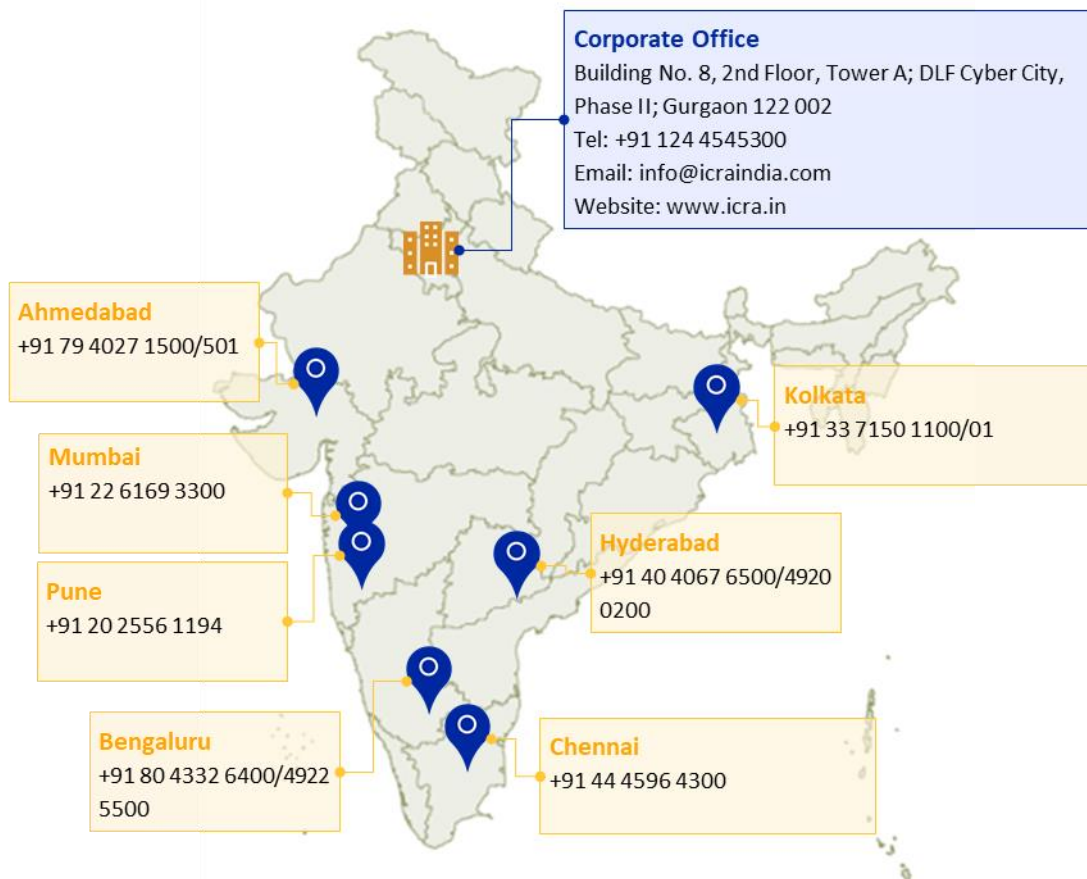
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