

March 21, 2023

IndInfravit Trust: Ratings withdrawn for Rs. 2,525 crore NCD programme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture (NCD) Programme	850.00	-	[ICRA]AAA(Stable); Withdrawn
NCD Programme	1,675.00	-	[ICRA]AAA(Stable); Withdrawn
NCD Programme^	475.00	475.00	[ICRA]AAA(Stable); Outstanding
Fund-based Bank Facilities - Term Loan	1385.00	1385.00	[ICRA]AAA(Stable); Outstanding
Fund-based Bank Facilities - Term Loan	2716.00	2716.00	[ICRA]AAA(Stable); Outstanding
Unallocated limits	9.00	9.00	[ICRA]AAA(Stable); Outstanding
Issuer Rating	-	-	[ICRA]AAA(Stable); Outstanding
Total	7,110.00	4,585.00	

*Instrument details are provided in Annexure-1

^these NCDs are not yet placed

Rationale

ICRA has withdrawn the ratings on the Rs. 2,525 crore non-convertible debentures of IndInfravit Trust as the same has been redeemed and repaid by the company and no amount is outstanding against the rated instrument. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings. The key rating drivers, liquidity position and rating sensitivities have not been captured as the rated instrument has been withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Infrastructure Investment Trusts (InvITs) Rating Methodology for BOT (Annuity) Roads Rating Methodology for BOT (Toll) Roads Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	The rating is based on the consolidated financial statements of the issuer (list of SPVs consolidated with IndInfravit are in Annexure)

About the issuer

IndInfravit was established by L&T Infrastructure Development Projects Limited on March 7, 2018, as an irrevocable Trust under the provisions of the Indian Trusts Act, 1882. It was registered as an infrastructure investment trust under the SEBI (InvIT) Regulations on March 15, 2018.

IndInfravit's initial portfolio of assets comprises five operational BOT toll road projects with a cumulative length of 2,654 lane kms. These projects were transferred to the InvIT from L&T IDPL on May 4, 2018. These projects are operated and maintained pursuant to the concessions granted by the NHAI and are located in four different states. L&T IDPL is the sponsor of the InvIT.

In July 2019, IndInfravit announced its plans for acquisition of nine SPVs of Sadbhav Infrastructure Project Limited (SIPL) and Sadbhav Engineering Limited (SEL). The portfolio comprises seven toll road assets and two annuity road assets having a

cumulative length of 2,619 lane kms. The Trust completed acquisition of eight of the nine SPVs till March 2022. A brief information on the assets is as follows:

Project SPV/ Asset	Project Type	Concession Authority	State/Location
Krishnagiri Thopur Toll Road Pvt Limited	BOT Toll road project	NHAI	Tamil Nadu
Krishnagiri Walajapet Tollway Pvt Limited	BOT Toll road project	NHAI	Tamil Nadu
Western Andhra Tollways Pvt Limited	BOT Toll road project	NHAI	Andhra Pradesh
Beawar Pali Pindwara Tollway Pvt Limited	BOT Toll road project	NHAI	Rajasthan
Devihalli Hassan Tollway Pvt Limited	BOT Toll road project	NHAI	Karnataka
Aurangabad Jalna Tollway Pvt Limited	BOT Toll road project	PWD [^]	Maharashtra
Bhilwara-Rajsamand Tollway Private Limited	BOT Toll road project	NHAI	Rajasthan
Bijapur Hungund Tollway Private Limited	BOT Toll road project	NHAI	Karnataka
Dhule Palesner Tollway Pvt Limited	BOT Toll road project	NHAI	Maharashtra
Hyderabad-Yadgiri Tollway Private Limited	BOT Toll road project	NHAI	Telangana
Shreenathji-Udaipur Tollway Private Limited	BOT Toll road project	NHAI	Rajasthan
Nagpur Seoni Express Way Pvt Limited	BOT Annuity road project	NHAI	Maharashtra/ Madhya Pradesh
Mysore Bellary Highway Private Limited	BOT Annuity road project	KSHIP [^]	Karnataka/ Andhra Pradesh

[^] KSHIP – Karnataka State Highways Improvement Project, PWD – Public Works Department

The fund (unit capital) raising in IndInfraVIT was done through private placement mode, though the Trust is listed on both the National Stock Exchange and the Bombay Stock Exchange since May 9, 2018. IDPL also partly sold its stake and holds 6.07% stake in IndInfraVIT as of March 31, 2022. The key investors of the InvIT include the Canada Pension Plan Investment Board (CPPIB), Allianz Capital Partners (ACP) and OMERS Infrastructure Asia Holdings Pte. Ltd. The sponsor and anchor investors also participated in the fund raising done for the acquisition of the new portfolio.

The trust is currently proposing to acquire five assets from Brookfield Asset Management which is currently under process. The portfolio comprises of three toll road assets and two annuity projects having a cumulative length of 514.9 km. A brief information on the assets is as follows:

Project SPV/ Asset	Project Type	Concession Authority	State/Location
Gorakhpur Infrastructure Company Private Limited [rated [ICRA]AA- (On rating watch with developing implications)]	BOT Annuity road project	NHAI	Uttar Pradesh
Kosi Bridge Infrastructure Company Private Limited [rated [ICRA]AA- (On rating watch with developing implications)]	BOT Annuity road project	NHAI	Bihar
Mumbai Nashik Expressway Private Limited [rated [ICRA]AA- (On rating watch with developing implications)]	BOT Toll road project	NHAI	Maharashtra
Simhapuri Expressway Limited [rated [ICRA]AA- (On rating watch with developing implications)]	BOT Toll road project	NHAI	Andhra Pradesh
Rayalaseema Expressway Private Limited	BOT Toll road project	NHAI	Andhra Pradesh

Key financial indicators (audited)

IndInfravit Consolidated	FY2021	FY2022
Operating Income (Rs. crore)	1490.5	1666.3
PAT (Rs. crore)	-470.1	-524.1
OPBDIT/OI (%)	65.1%	64.3%
PAT/OI (%)	-31.5%	-31.5%
Total Outside Liabilities/Tangible Net Worth (times)	1.8	2.3
Total Debt/OPBDIT (times)	4.3	3.8
Interest Coverage (times)	1.1*	1.1*

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; Source: IndInfravit

*Interest coverage stands at 2.1 times for FY2021 and 2.3 times for FY2022 after adjusting for non-cash expenses such as Unwinding of discount and implicit interest expense on fair value

Status of non-cooperation with previous CRA: Not applicable

Any other information:

Cash flow pooling: For arriving at the rating, ICRA has taken into account the consolidated free cash flows from the underlying SPVs on account of the pooling benefit at the SPVs and the Trust level. The SPVs have been considered as a single pool post the refinancing of NCDs. ICRA has applied its rating methodologies as mentioned under the section on analytical approach.

Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as of March 10, 2023 (Rs. crore)	Current Rating (FY2023)			Chronology of Rating History for the past 3 years							
				Date & Rating on			Date & Rating in FY2022				Date & Rating in FY2021		Date & Rating in FY2020	
				Mar 21, 2023	Mar 02, 2023	Jun 24, 2022	Dec 31, 2021	June 25, 2021	May 18, 2021	Apr 26, 2021	Apr 3, 2020	Jan 10, 2020	Jul 4, 2019	
1	NCD	1,675.0	-	[ICRA]AAA (Stable); Withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	Provisional [ICRA]AAA (Stable)	-
2	NCD	475.0	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	Provisional [ICRA]AAA (Stable)	Provisional [ICRA]AAA (Stable)	Provisional [ICRA]AAA (Stable)	Provisional [ICRA]AAA (Stable)	-
3	NCD	850.0	-	[ICRA]AAA (Stable); Withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	Provisional [ICRA]AAA (Stable)	-	-	-	-
4	Fund Based TL	1,385.0	3,914.2	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-
5	Fund Based TL	2,716.0		[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-	-	-	-	-	-	-
6	Unallocated limits	9.0		[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-	-	-	-	-	-	-
7	Issuer rating	-	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
NCDs	Moderately Complex
Fund Based Term Loan	Simple
Unallocated Limits	Not Applicable
Issuer rating	Not Applicable

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 analyzing 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: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE790Z07012	NCD Programme - I	11-Mar-20	9.04%	9-Mar-38	840.00	[ICRA]AAA (Stable); Withdrawn
INE790Z07038	NCD Programme - II	09-Mar-20	9.04%	9-Mar-38	835.00	[ICRA]AAA (Stable); Withdrawn
NA	NCD Programme – III [^]	NA	NA	NA	475.00	[ICRA]AAA (Stable)
INE790Z07046	NCD Programme – IV	27-May-21	6.50%	09-Mar-38	850.00	[ICRA]AAA (Stable); Withdrawn
NA	Long Term - Fund Based TL	May 2018/ April 2021	NA	March 2038	1385.00	[ICRA]AAA (Stable)
NA	Long Term - Fund Based TL	April 2021/ March 2023	NA	March 2038/ September 2040	2716.00	[ICRA]AAA (Stable)
NA	Long Term - Unallocated Limits [#]	NA	NA	NA	9.00	[ICRA]AAA (Stable)
NA	Issuer rating	NA [^]	NA	NA	-	[ICRA]AAA (Stable)

[^] the NCD programme has not been placed and hence the applicable instrument details are not available;

[#] yet to be raised

Source: IndInfravit Trust

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-2: List of entities considered for consolidated analysis

Company Name	Beneficial Ownership	Consolidation Approach
Krishnagiri Thopur Toll Road Pvt Limited	100.00%	Full Consolidation
Krishnagiri Walajapet Tollway Pvt Limited	100.00%	Full Consolidation
Western Andhra Tollways Pvt Limited	100.00%	Full Consolidation
Beawar Pali Pindwara Tollway Pvt Limited	100.00%	Full Consolidation
Devihalli Hassan Tollway Pvt Limited	100.00%	Full Consolidation
Aurangabad Jalna Tollway Pvt Limited	100.00%	Full Consolidation
Bhilwara-Rajsamand Tollway Private Limited	100.00%	Full Consolidation
Bijapur Hungund Tollway Private Limited	100.00%	Full Consolidation
Dhule Palesner Tollway Pvt Limited	100.00%	Full Consolidation
Hyderabad-Yadgiri Tollway Private Limited	100.00%	Full Consolidation
Shreenathji-Udaipur Tollway Private Limited	100.00%	Full Consolidation
Nagpur Seoni Express Way Pvt Limited	100.00%	Full Consolidation
Mysore Bellary Highway Private Limited	100.00%	Full Consolidation

Source: IndInfravit Trust

Krishnagiri Thopur Toll Road Pvt Limited (KTTP), Krishnagiri Walajapet Tollway Pvt Limited (KWTP), Western Andhra Tollways Pvt Limited (WATPL), Beawar Pali Pindwara Tollway Pvt Limited (BPP), Devihalli Hassan Tollway Pvt Limited (DHTPL), Aurangabad Jalna Tollway Pvt Limited (AJTPL), Bhilwara-Rajsamand Tollway Private Limited (BRTPL), Bijapur Hungund Tollway Private Limited (BHTPL), Dhule Palesner Tollway Pvt Limited (DPTPL), Hyderabad-Yadgiri Tollway Private Limited (HYTPL), Shreenathji-Udaipur Tollway Private Limited (SUTPL), Nagpur Seoni Express Way Pvt Limited (NSEWPL) and Mysore Bellary Highway Private Limited (MBHPL)

ANALYST CONTACTS

Rajeshwar Burla

+91 40 4547 4243

rajeshwar.burla@icraindia.com

Ashish Modani

+91 22 6606 9912

ashish.modani@icraindia.com

Vinay Kumar G

+91 40 4547 4225

vinay.g@icraindia.com

M Rajashekar Reddy

+91 40 4547 4224

m.rajashekarreddy@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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