

January 18, 2024

Indus Towers Limited (formerly Bharti Infratel Limited): Change in Limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper	6,000.00	6,000.00	[ICRA]A1+; outstanding
Non-convertible debentures	2,500.00	2,500.00	[ICRA]AA+ (Stable); outstanding
Long term – fund based - Term loans	2,888.50	2,550.00	[ICRA]AA+ (Stable); outstanding
Long-Term /Short-Term - Fund based/Non Fund based limits	6,200.00	6,150.00	[ICRA]AA+ (Stable)/[ICRA]A1+; outstanding
Long-Term /Short-Term - Unallocated limits	2,411.50	2,800.00	[ICRA]AA+ (Stable)/[ICRA]A1+; outstanding
Total	20,000.00	20,000.00	

*Instrument details are provided in Annexure-1

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position and rating sensitivities, including the environmental and social risks : [click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Telecom Tower Infrastructure Service Providers
Parent/Group Support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of Indus Towers Limited (formerly Bharti Infratel Limited)

About the company

Indus Towers Limited (formerly Bharti Infratel Limited) was formed following the merger of Indus Towers Limited with Bharti Infratel Limited. It is a tower infrastructure company with pan-India operations. As on September 30, 2023, Indus had a tower portfolio of 204,212 towers with a tenancy ratio of 1.73 times.

Key financial indicators

	FY2022	FY2023	H1FY2024^
Operating income (Rs. crore)*	17,607	17,432	8,527
PAT (Rs. crore)	6,373	2,040	2,643
OPBDIT/OI (%)	84.6%	55.5%	80.9%
PAT/OI (%)	36.2%	11.7%	31.0%
Total outside liabilities/Tangible net worth (times)	1.17	1.15	1.15
Total debt/OPBDIT (times)	1.32	1.98	1.50
Interest coverage (times)	9.95	6.65	11.54

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; ^Results

* - Adjusted for energy margins

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years									
		Amount rated (Rs. crore)	Amount outstanding as on March 31, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023		Date & rating in FY2022				Date & rating in FY2021	
				Jan 18, 2024	May 30, 2023	February 03, 2023	June 3, 2022	August 27, 2021	June 21, 2021	May 10, 2021	April 9, 2021	Sep 9, 2020	
1 Commercial paper	Short-Term	6,000.0	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2 NCD	Long-Term	2,500.0	1,500.0	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	-
3 Term loans	Long-Term	2,550.0	2,760.0	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	-
4 FB/NFB limits	Long-Term	-	-	-	-	-	-	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	-
5 FB/NFB limits	Long-Term/ Short-Term	6,150.0	929.0	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	-	-	-	-	-	-
6 Unallocated limits	Long-Term/ Short-Term	2,800.0	-	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	-
7 Issuer rating	Long-Term	-	-	-	-	-	-	-	[ICRA]AA+ (Stable) Withdrawn	[ICRA]AA+ (Stable) placed on notice of withdrawal for 1 month	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Negative)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Commercial paper	Very simple
NCD	Very simple
Term loans	Simple
FB/NFB limits	Simple
Unallocated limits	NA

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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Commercial paper*	NA	NA	7-365 days	6,000	[ICRA]A1+
INE121J08020	Non-convertible debenture	07 Dec 2022	8.20%	07 Dec 2025	375.0	[ICRA]AA+(Stable)
INE121J08038	Non-convertible debenture	07 Dec 2022	8.20%	07 Jun 2025	375.0	[ICRA]AA+(Stable)
INE121J08046	Non-convertible debenture	07 Dec 2022	8.20%	07 Dec 2024	750.0	[ICRA]AA+(Stable)
-	Non-convertible debenture*	NA	NA	NA	1,000.0	[ICRA]AA+(Stable)
-	Term loans	FY2022-FY2023	5.2%-6.3%	FY2024-FY2026	2,550.0	[ICRA]AA+(Stable)
-	Fund based/Non-fund based limits	NA	NA	NA	6,150.0	[ICRA]AA+(Stable)/ [ICRA]A1+
-	Unallocated	NA	NA	NA	2,800.0	[ICRA]AA+(Stable)/ [ICRA] A1+

Source: Company * - Not placed

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Smartx Services Limited	100.00%	Full Consolidation

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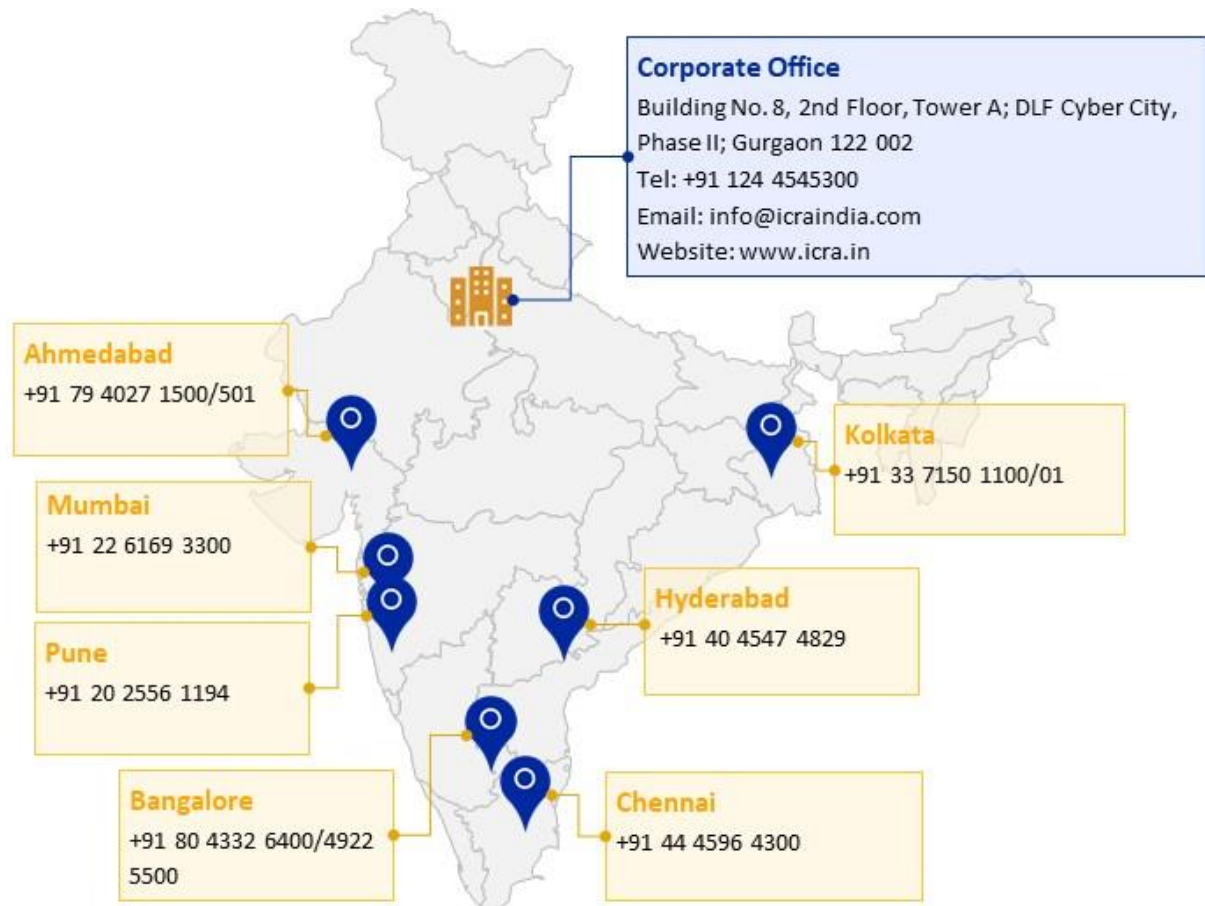
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