

APRIL 20, 2016

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF HIND TERMINALS PRIVATE LIMITED (HTPL)

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long Term Bank Facilities	495.40 (enhanced from Rs. 211.94 crore)	CARE A (Single A)	Reaffirmed
Long/Short Term Bank Facilities	87.50	CARE A/ CARE A1 (Single A/ A One)	Reaffirmed
Total	582.90 (Rupees Five Hundred and Eighty Two Crore and Ninety Lakh Only)		

Rating Rationale

The ratings assigned to the bank facilities of Hind Terminals Private Limited continue to derive strength from HTPL's, strong parentage, healthy diversification of revenue profile, established relationship with customers and top container shipping lines. The ratings also consider the significant debt funded capex to be executed by the company in the next three years, which is expected to moderate its financial risk profile in medium term.

The rating strengths are however, tempered by risks related to ongoing capex in terms of execution, intensifying competition in container freight station business around various ports where HTPL operates/plans to operate and risk inherent in the logistics industry in terms of vulnerability to a slowdown in trade volumes.

The ability of HTPL to commission the upcoming projects without any time or cost overrun and optimally utilize the capacity of the same is the key rating sensitivity.

Background

Hind Terminals Private Limited (HTPL) is a part of the Sharaf Group of Companies. The Sharaf Group is a diversified group having its business operations spread across various business segments from Shipping & Logistics to Supply Chain Management, Tourism, Hospitality & Real Estate, Information Technology and Financial Services. HTPL is a private limited company incorporated in August 2003, and is involved in Container Freight Station/Inland Container Depot operations along with rail operations on a pan-India basis.

The company has entered into a strategic alliance with the Central Warehousing Corporation (CWC), to develop, operate and maintain the CWC Logistics Park (subsidiary of Central Warehousing Corporation Ltd) for 15 years on BOOT basis. The operations at CWC Logistics Park commenced from May 2007. This facility is spread across an area of 30 hectares at Logistics Park, Dronagiri, (near JNPT port, Nava Sheva), Navi Mumbai having a capacity upto 360,000 TEU's per annum. The company has received "In-Principle Approval" from the Indian Railways and also executed the Concession Agreement for operating container trains throughout India for a period of 20 years. The Rail operations commenced from April 2007.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

The company is currently undertaking various projects in terms of construction of CFS's/ICD's at various locations across the country. The total cost of the project is around Rs. 780 crores spread over the next three years, funded through a debt of about Rs. 492 crore and the rest through internal accruals/equity.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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