IRB Infrastructure Developers Ltd

February 05, 2018

Ratings

Facilities	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term Bank Facilities (Term Loan)#	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

*The credit enhancement is in the form of put option wherein the lenders would require Mhaiskar Infrastructure Private Limited (MIPL) to purchase the rated facility and/or any interest due to be paid referred to as the put amount, within 15 days of exercise of the Put Option viz T+15 (final legal maturity with T as the due date of debt servicing for IRB) throughout the tenure of the rated facility. The credit enhancement also factors the Structured Payment Mechanism (SPM) in case of exercise of above put option.*

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating assigned to the Bank facilities of IRB Infrastructure Developers Ltd. with immediate effect, as the company has repaid the aforementioned term loan in full and there is no amount outstanding under the loan as on date.

Analytical approach: NA

Applicable Criteria

Policy on Withdrawal of ratings

Background

IRB

IRB, incorporated in 1998, is an established integrated surface transportation infrastructure company with expertise in development of BOT Toll Road Projects. The company's business segments are toll roads, construction, airport development and real estate. As on September 30, 2017, IRB held a portfolio of 14 BOT projects out of which 7 are operational, 4 are under implementation and 3 are under tolling & construction phase, with all toll roads structured into separate Special Purpose Vehicles (SPVs). Such SPVs are wholly owned subsidiaries of IRB and the construction and O&M activity is carried out in-house through Modern Road Makers Pvt. Ltd. (MRM, rated CARE A; Stable/A1, a wholly owned subsidiary of IRB). As on September 30, 2017, the total road length under portfolio stood at 7,677 lane kms. The above includes market share of 11.64% on the Golden Quadrilateral.

MIPL

MIPL is an SPV promoted by IRB with 74% shareholding and remaining held by IRB's wholly owned subsidiary Ideal Road Builders Pvt Ltd. MIPL entered into a concession agreement with Maharashtra State Road Development Corporation Ltd. (MSRDC) in 2004. The scope of MIPL is to carry out four-laning and improvement of Mumbai - Pune section of NH-4 (Km 131/200 to Km 20/400) along with Toll Collection and Operation and Maintenance on Mumbai - Pune section of NH-4 and existing Mumbai - Pune Expressway (MPEW) with concession period of 15 years ending on August 10, 2019. The commercial operation date was August 10, 2004, for MPEW and September 1, 2006, for NH-4 section. In October 2014, MIPL executed concession agreement with MSRDC for the O&M of MPEW and Mumbai Pune section of NH-4 along with execution of additional works on Mumbai Pune section of NH-4, on design, build, finance, operate and transfer (DBFOT) basis (toll)(referred as Phase-II). The estimated cost is Rs.1,687 crore. Financial closure for this project was achieved by the company. However, in October 2016, MSRDC terminated the concession agreement (initially signed in October 2014 for Phase -II).

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

Brief Financials – MIPL (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	640	732
PBILDT	559	609
PAT	380	442
Overall gearing (times)	0.44	0.19
Interest coverage (times)	9.98	16.03

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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

About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	-	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE AA- (SO) (14-Oct-16)	1)CARE AA- (SO) (02-Feb-16)	1)CARE AA- (SO) (01-Dec-14)

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