

October 6, 2018

**General Manager,**  
 Listing Department,  
 BSE Limited,  
 P.J. Tower, Dalal Street,  
 Mumbai 400 001

**Vice President,**  
 Listing Department,  
 National Stock Exchange of India Limited  
 'Exchange Plaza', Bandra Kurla Complex,  
 Bandra (East), Mumbai - 400 051

**Scrip Code No: 533177**

**Scrip Code No: IL&FSTRANS EQ**

Dear Sirs,

**Re.: Revised Ratings by Brickworks Ratings India Pvt. Limited**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we give below the revised rating assigned by Brickworks Ratings India Private Limited for the following instruments:


Instrument	Assigned limits (₹ in Crore)	Revised Rating	Previous Rating
Non-convertible debenture (NCD)	3,550	BWR D	BWR C (SO)
Commercial Paper	800	Withdrawn*	BWR A4

\*Note: Withdrawal of rating on the Commercial Paper (CP) was done at the Company's request. The rating limit has been reduced from ₹ 1,000 Crore to ₹ 800 Crore at Company's request. As on date the CP outstanding using Brickwork's rating is ₹ 143 Crore

Also attached the rating rationale issued by Rating Agency

Thank you

Yours faithfully,  
 For IL&FS Transportation Networks Limited

  
 Krishna Ghag  
 Vice President &  
 Company Secretary

## Rating Rationale

### IL&FS Transportation Networks Limited

5 Oct 2018

**Brickwork Ratings downgrades the rating for the NCD amounting to Rs. 3550 crs of IL&FS Transportation Networks Limited (ITNL)**

#### Particulars

Instrument	Sanctioned Amt (Rs Crs)	Previous Rating	Current Rating
NCD <sup>^</sup>	550.00	<b>BWR C (SO)</b> <b>(Pronounced BWR C Structured Obligation)</b>	<b>BWR D</b> <b>(Pronounced as BWR D) Downgrade</b>
	3000.00		
Total	3550.00	INR Three Thousand Five Hundred and Fifty Crores Only	

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

<sup>^</sup> The NCDs of Rs. 3550 crs is backed by DSRA support undertaking from parent IL& FS Ltd.

#### Details of Other Instruments Rated

Instrument	Tenor	Initial Amount Rated (Rs. Crs)	Current amount Rated* (Rs. Crs)	Previous Rating	Current Rating
Commercial Paper	7 to 365 days	<b>1000.00</b> <b>(One Thousand Crore)</b>	<b>143.00</b> <b>(One Hundred Forty Three Crore)</b>	<b>BWR A4</b> <b>(Pronounced BWR A Four)</b>	<b>BWR A4</b> <b>(Pronounced BWR A Four)</b>

- The current outstanding of commercial paper rated by BWR is Rs. 143 crs.

#### Rationale:

The revision in the rating of IL&FS Transportation Networks Limited (ITNL) factors the delays in servicing of debt obligations by ITNL for the structured NCD rated by BWR. The rating factors the impaired liquidity profile of ITNL and the group which continues to be under financial stress on account of delay in fund infusion by promoters and sizable debt repayment obligations in the near term.

The repayment on commercial paper issued by ITNL is not yet due.

**Key Rating Drivers**

**Delay in Servicing of Debt Obligations by ITNL and the parent company:** ITNL has delayed in servicing of its debt obligations for the structured NCD rated by BWR. In addition, the parent company IL&FS and the other group companies have delayed in servicing of the debt obligations for both long term and short term instruments. Limited ability and impaired financial flexibility of ITNL and the group in servicing debt obligations given the sizable near term repayment obligations.

**Delay in fund infusion and asset monetization:** As a part of deleveraging efforts at ITNL and the group level, monetization of certain assets was to happen to reduce debt levels including infusion of capital by the promoters. The liquidity situation has worsened post the inconclusive shareholder meeting on 15th September 2018 where the funding support was envisaged at IL&FS level resulting into the longer than expected time for deleveraging.

**About the Company**

ITNL is involved in the development, operations and maintenance of surface transportation infrastructure projects encompassing national and state highways, roads, tunnels, flyovers and bridges with expertise in development of Build Operate Transfer (BOT) Road Projects. ITNL also renders services in areas of project advisory, management, and supervisory -, operation and maintenance (O&M) and toll collection services. Incorporated in 2000, ITNL was promoted by IL&FS which currently holds 73.22% equity stake. The company is the largest player in road development segment of 13,493 lane km comprising a mix of Toll & Annuity based projects with a pan India presence in several states having 28 road projects of which 21 are operational. The company has also forayed into new sectors like mass rapid transport system, urban transportation infra system; car parking and border check post systems.

As per publicly available information, as on 2nd Oct 2018, The National Company Law Tribunal (NCLT), Mumbai, superseded the board of infrastructure financier Infrastructure Leasing & Financial Services (IL&FS) with six new directors after the government moved a petition to remove the previous board of directors. The government has also ordered an SFIO (Serious Fraud Investigation Office) investigation into the affairs of IL&FS and its subsidiaries.

**Key Financial Ratios- Consolidated**

Particulars (Amt Rs. Crs)	2017 (Audited)	2018 (Audited)
Total Operating Income	8402.00	9,779.00
EBITDA	3577.00	4,324.00
PAT	65.00	146.00
Net Worth (excluding Intangible)	4,620.35	4,826.16
Total Debt: TNW	6.75	7.21

**Rating History for the last three years (including withdrawn/suspended ratings)**

Sl. No.	Instrument / Facility			Current Rating		Rating History		
		Type	Amount (Rs Crs)	Oct-2018	Rating (21 <sup>st</sup> September 2018)	12 <sup>th</sup> Sep 2018	17 <sup>th</sup> Aug 2018	24 <sup>th</sup> July 2018
1)	Commercial Paper	Short Term	1000.00	BWR A4	BWR A4	BWR A4	BWR A4	BWR A4
2)	NCD	Long Term	550.00	BWR D	BWR C (SO)	BWR BB-(SO) Ratings Watch With Negative Implications	BWR AA-(SO) Ratings Watch With Developing Implications	BWR AA+(SO) Ratings Watch With Negative Implications
3)			3000.00					
Rs. 4550.00 (INR Four Thousand Five Hundred and Fifty Crores Only)								

**Status of non-cooperation with previous CRA (if applicable)- NA**

**Any Other Comments: NA**

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)

**Annexure I- ISIN Details of NCD**

Tranche	ISIN	Date of Allotment	Date of Maturity	Amt. Rs. Crs	Coupon	Coupon Frequency
Bonds XVI	INE975G08199	10-Aug-16	10-Feb-25	200	9.51%	Semi-Annually
Bonds XVII	INE975G08207	18-Aug-16	18-Feb-25	100	9.51%	Semi-Annually
Bonds XVIII	INE975G08215	27-Oct-16	27-Oct-26	250	9.44%	Semi-Annually
Bonds-XIX - a	INE975G08223	31-Mar-17	15-Apr-22	300	9.20%	Quarterly
Bonds-XIX - b	INE975G08231	31-Mar-17	31-Mar-27	450	9.33%	Quarterly
Bonds-XX - a	INE975G08249	30-Oct-17	28-Oct-22	32.5	9.25%	Quarterly
Bonds-XX - b	INE975G08256	30-Oct-17	29-Oct-27	118	9.37%	Quarterly
Bonds-XXI - a	INE975G08264	30-Nov-17	30-Nov-27	100	9.37%	Quarterly
Bonds-XXI - b	INE975G07019	30-Nov-17	30-Nov-27	100	9.00%	Quarterly

Bonds-XXII - a	INE975G08272	15-Dec-17	15-Dec-22	50	9.25%	Quarterly
Bonds-XXII - b	INE975G07027	15-Dec-17	15-Dec-27	99	9.00%	Quarterly
Bonds-XXIII - a	INE975G07043	01-Feb-18	15-Dec-27	100	9.10%	Quarterly
Bonds-XXIII - b	INE975G07035	02-Feb-18	02-Feb-23	100	9.10%	Quarterly
Bonds-XXIV	INE975G07068	28-Mar-18	28-Mar-25	100	9.15%	Quarterly
Bonds-XXIV	INE975G07050	28-Mar-18	28-Mar-23	75	9.10%	Quarterly
Bonds-XXIV	INE975G07076	31-Mar-18	30-Mar-28	140	9.20%	Quarterly
Bonds-XXV - a	INE975G08280	27-Apr-18	27-Apr-23	10	9.35%	Quarterly
Bonds-XXV - b	INE975G08306	27-Apr-18	27-Apr-28	75	9.45%	Quarterly
Bonds-XXV - c	INE975G08298	27-Apr-18	25-Apr-25	15	9.40%	Quarterly
Bonds-XXVI - a	INE975G07084	25-May-18	23-May-25	24	9.15%	Quarterly
Bonds-XXVI - b	INE975G07092	25-May-18	25-May-28	75	9.20%	Quarterly

Analytical Contacts	Media
Mr. Bal Krishna Piparaiya Chief General Manager - Ratings	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	Relationship Contact
	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone: 1-860-425-2742</b>	

#### For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

#### Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

#### About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 13,22,500 Cr. In addition, BWR has rated over 7000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹62,000 Cr have been rated.



BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

**DISCLAIMER**

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.