



## Press Release

### Revised Material Event Update

#### Adani Infrastructure Management Services Limited (AIMSL) February 2, 2023

##### Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	<u>Complexity Indicator</u>
Long Term Bank facilities	457.50	IVR AA- (CE)#/ Stable  [IVR Double A Minus (Credit Enhancement) with Stable Outlook]	Complex
<b>Total</b>	<b>457.50</b> <b>(Rupees Four hundred fifty-seven crore and fifty lakh only)</b>		

# CE Rating based on the corporate guarantee provided by Adani Properties Pvt. Ltd. (APPL) for the debt of Adani Infrastructure Management Services Ltd.

Unsupported Rating*	Long Term Bank Facilities	IVR BBB/Positive (IVR Triple B with Positive Outlook)
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\*Unsupported rating does not factor in the Corporate Guarantee from Adani Properties Pvt. Ltd

##### Details of Facilities are in Annexure 1

##### Update

Hindenburg Research, a US based investment research firm published a report on Adani Group (Group) on January 24, 2023, alleging that the Group is involved in various corporate governance related breach and flagged concerns about the Group's high debt. As a result of the report, the share prices of all the listed Adani group companies have witnessed a steep decline. On January 29, 2023, the Adani Group has released their detailed response to the Hindenburg report, stating that much of the allegations made have already been duly disclosed by the Adani Group companies in the past.

Infomerics is monitoring the impact of these developments on its rated instruments in Adani Properties Pvt Ltd, especially volatility in the share prices of the underlying pledged shares of the Group companies, adequacy of availability of unencumbered shares for any top up



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requirement and, the financial flexibility of the Group going forward. The rating of Adani Properties Pvt Ltd will be a key rating monitorable for the rated debt facilities of AIMSL.

Please [click here](#) to see last detailed rationale.

### **Analytical Approach:** Standalone and Credit Enhancement

Credit Enhancement is based on the unconditional and irrevocable corporate guarantee provided by Adani Properties Pvt Ltd (APPL, rated by Infomerics at Supported: IVR AA (CE)/Stable; Unsupported: IVR AA-/ Stable) to the bank facilities of AIMSL.

Standalone rating is after considering the parent linkages.

### **Applicable Criteria:**

[Criteria of assigning Rating Outlook](#)

[Rating Methodology – Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria on Default Recognition](#)

[Rating Methodology for Structure Debt Transaction \(Non-Securitisation Transaction\)](#)

### **About the Company:**

A part of Adani Group, Adani Infrastructure Management Services Limited was incorporated on June 9, 2017, and headquartered at Ahmedabad, Gujarat. The company provides Operation and Maintenance (O&M) services to infrastructure development companies of the Adani Group like - generation, transmission and distribution of thermal and renewable power and roads and ports developers. Apart from O&M Service, AIMSL provides Performance Consulting Services, Inspection and Testing Service, Commissioning Services etc. AIMSL is a wholly owned subsidiary of Adani Properties Pvt Ltd.

### **About the Corporate Guarantor:**

Adani Properties Private Limited, a holding/investment company of the Adani Group, was incorporated in May 1995. It is mainly engaged in the business of let-out and/or lease of immovable properties and wholesale trading of commodities and is also a part of promoter group company that holds strategic investments in listed entities of Adani Group (Adani



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Enterprise Ltd., Adani Ports and SEZ Ltd., Adani Power Ltd., Adani Green Energy Ltd & Adani Transmission Ltd) through various LLPs. APPL also holds investments in various other businesses like real estate and financial services. Mr. Jeet Adani (Son of Mr. Gautam Adani) and Mr. Pranav Adani (nephew of Mr. Gautam Adani) are members of the Board of Directors of APPL.

### Financials (Standalone basis):

(In Crore)

For the year ended/ As on*	31-03-2021 (Audited)	31-03-2022 (Audited)
Total Income	531.28	593.73
PAT	20.76	28.35
Total Debt	1013.79	1294.53
Tangible Net Worth	51.91	860.00
PAT margin (%)	3.30	4.12
Overall Gearing Ratio (x)	19.53	1.51

\* Classification as per Infomerics' standards

### Financials of the Corporate Guarantor, Adani Properties Pvt Ltd (Consolidated)

(In Crore)

For the year ended/ As on*	31-03-2021 (Audited)	31-03-2022 (Audited)
Total Income	11144.39	5758.33
PAT	4793.26	320.78
Total Debt	28617.59	27667.13
Tangible Net Worth	41058.34	71337.54
PAT margin (%)	43.01	5.57
Overall Gearing Ratio (x)	0.70	0.39

\* Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** None

**Any other information:** None

**Rating History for last three years:**



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Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2022-23)			Date(s) & Rating(s) assigned in 2022-23	Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating		Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1	Fund Based Bank Facilities-Term Loan	Long Term	457.50	IVR AA-(CE)/ Stable  Unsupported: IVR BBB/ Positive	IVR AA- (CE)/ Stable  Unsupported: IVR BBB-/ Stable (11/04/22)	-	IVR AA-(CE)/ Stable  Unsupported: IVR BBB-/ Stable (12/01/21)	-

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### About Infomerics:

Infomerics Valuation and Rating Private Limited (Infomerics) was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to the best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates a wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust, and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit [www.infomerics.com](http://www.infomerics.com)

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating



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assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs 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/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities - Term Loan	-	-	May, 2026	457.50	IVR AA- (CE)/Stable  [IVR Double A Minus (Credit Enhancement) with Stable Outlook]

**Annexure 2: List of companies considered for consolidated analysis:** Not applicable.

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/AIMSL-FEB23.pdf>

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:**

List of covenants

- Pledge of shares of Adani Transmission providing a security cover of 1.5 times the outstanding amounts under the facilities.
- Unconditional and irrevocable corporate guarantee of APPL.
- Pledge of 30% of equity shares and Non-Disclosure Undertaking over balance 70% equity shares of the borrower in favor of rupee term loan lenders.

Link to previous press release [click here](#)

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com)