



कोंकण रेलवे कॉर्पोरेशन लिमिटेड Konkan Railway Corporation Limited

(भारत सरकार का उपक्रम / A Government of India Undertaking)



No. KRCL/CO/S/BONDS/NSE

22/12/2022

To,
The Manager (Compliance Section)
National Stock Exchange of India Ltd.,
Exchange Plaza
Bandra Kurla Complex,
Mumbai – 400 051.

Sub: Intimation of Credit Rating

Dear Sir / Madam,

Pursuant to Regulation 55 of the SEBI(LODR) Regulations, 2015 read with SEBI Circular bearing reference no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022, we hereby inform you that, with respect to the Non-Convertible Debentures of the Company, the credit ratings have been reaffirmed, details of which are mentioned below:

Details of Credit Rating									
Current rating details									
Sl. No.	ISIN	Name of Credit Rating Agency	Credit Rating Assigned	Outlook (Stable/ Positive/ Negative/ No Outlook)	Rating Action (New/ Upgrade/ Downgrade/ Re-Affirm/ Other)	Specify other rating action	Date of Credit rating	Verification status of Credit Rating Agencies	Date of verification
1	2	3	4	5	6	7	8	9	10
1	INE139F07048	CARE	CARE AAA (CE)	Stable	Re-Affirm	Nil	21-12-2022	Verified	21-12-2022
		ICRA	[ICRA]AAA (CE)	Stable	Re-Affirm	Nil	23-11-2022	Verified	23-11-2022
2	INE139F07055	CARE	CARE AAA (CE)	Stable	Re-Affirm	Nil	21-12-2022	Verified	21-12-2022
		ICRA	[ICRA]AAA (CE)	Stable	Re-Affirm	Nil	23-11-2022	Verified	23-11-2022
3	INE139F07063	CARE	CARE AAA (CE)	Stable	Re-Affirm	Nil	21-12-2022	Verified	21-12-2022
		ICRA	[ICRA]AAA (CE)	Stable	Re-Affirm	Nil	23-11-2022	Verified	23-11-2022
4	INE139F07089	CARE	CARE AAA (CE)	Stable	Re-Affirm	Nil	21-12-2022	Verified	21-12-2022

कॉर्पोरेट पहचान संख्या (Corporate Identity Number) : U35201MH1990GOI223738

बेलापुर भवन सैक्टर 11, सी.बी.डी. बेलापुर, नवी मुंबई - 400614 / Belapur Bhavan, Sector 11, C.B.D. Belapur, Navi Mumbai 400614

Tel.: 91-22-27572015-18 • Fax: 022-2757 2420 /ई-मेल (E-mail): general@krcl.co.in • वेबसाइट (Website): www.konkanrailway.com

		ICRA	[ICRA]AAA (CE)	Stable	Re-Affirm	Nil	23-11-2022	Verified	23-11-2022
5	INE139F07097	CARE	CARE AAA (CE)	Stable	Re-Affirm	Nil	21-12-2022	Verified	21-12-2022
		ICRA	[ICRA]AAA (CE)	Stable	Re-Affirm	Nil	23-11-2022	Verified	23-11-2022
6	INE139F07105	India Ratings	IND AAA(CE)	Stable	Re-Affirm	Nil	22-08-2022	Verified	22-08-2022
		ICRA	[ICRA]AAA (CE)	Stable	Re-Affirm	Nil	23-11-2022	Verified	23-11-2022
7	INE139F07113	India Ratings	IND AAA(CE)	Stable	Re-Affirm	Nil	22-08-2022	Verified	22-08-2022
		ICRA	[ICRA]AAA (CE)	Stable	Re-Affirm	Nil	23-11-2022	Verified	23-11-2022

Credit Rating letters issued by CARE, ICRA and India Ratings are enclosed herewith for your kind perusal and record.

It is kindly requested to take the same on record.

Thanking you,

Yours faithfully,
For Konkan Railway Corporation Ltd.

(Rajendra C Parab)
Company Secretary

Encl: As stated
Copy to:
Ms. Dipali Dorugade ,
Senior Manager (Legal & Operations),
IDBI Trusteeship Services Ltd.,
Regd. Office: Asian Building,
Ground Floor, 17 R Kamani Marg,
Ballard Estate,
Mumbai - 400 001

Shri Debasish Mitra
General Manager-Finance
Konkan Railway Corporation Limited
 Belapur Bhavan, 2nd Floor, Plot No. 6,
 Sector - 11, C.B.D. Belapur,
 Mumbai
 Maharashtra 400614

December 21, 2022

Confidential

Dear Sir,

Credit rating for Non-Convertible Debenture/Bonds issue

On the basis of recent developments including operational and financial performance of your Company for FY22 (Audited) and H1FY23 (Unaudited), our Rating Committee has reviewed the following ratings:

Sr. No.	Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
1.	Bonds	300.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Reaffirmed
2.	Non-Convertible Debentures	280.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Reaffirmed
3.	Non-Convertible Debentures	500.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Reaffirmed
	Total Instruments	1,080.00 (Rs. One Thousand Eighty Crore Only)		

Unsupported Rating

As stipulated vide SEBI circular dated June 13, 2019

CARE AA+ [Reaffirmed]

- The NCDs are repayable as mentioned in Annexure-1
- The above rating is based on the credit enhancement in the form of Letter of Comfort (LoC) provided by the Ministry of Railways (MoR- Government of India) thus undertaking to make funds available for timely payment of interest and principal repayments of instruments.
- The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 21, 2022, we will proceed on the basis that you have no any comments to offer.

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.
 CARE Ratings Limited



5. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
9. CARE Ratings Ltd. ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Milind Sheth

Milind Sheth
Lead Analyst
milind.sheth@careedge.in

Setu Gajjar

Setu Gajjar
Assistant Director
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Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a 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. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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Annexure – 1**Details of rated NCD**

Particulars	Instruments				
Bond Series	16II	16III	16IV	17II	17III
Size of the issue (Rs.)	170	110	500	250	50
Redemption date	21/07/2024	11/8/2024	25/09/2024	30/03/2026	29/04/2026
Repayment terms and Maturity	10-year bonds; Bullet repayment	10-year bonds; Bullet repayment	10-year bonds; Bullet repayment	10-year bonds; Bullet payment	10-year bonds; Bullet payment
Coupon	9.15%	9.18%	9.08%	8.50%	8.30%
Coupon payment	Semi-Annual on Jan 01 & July 01			Annual on July 01	
Amount o/s as on date	170	110	500	250	50
ISIN	INE139F07048	INE139F07055	INE139F07063	INE139F07089	INE139F07097

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39

Konkan Railway Corporation Limited

December 21, 2022

Rating

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term instruments [^]	-	-	Withdrawn
Bonds*	300.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Reaffirmed
Non-convertible debentures*	280.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Reaffirmed
Non-convertible debentures*	500.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Reaffirmed
Total long-term instruments	1,080.00 (₹ One thousand eighty crore only)		

Details of instruments in Annexure-1

*The Ministry of Railways (MoR), Government of India (GoI), has issued a 'Letter of Comfort' for these bond issues and it has undertaken to make funds available to the company, if required, to ensure timely repayment of principal and interest thereon.

[^] CARE Ratings Limited (CARE Ratings) has withdrawn the ratings assigned to the bonds based on the receipt of no dues certificate from the investor of the bond issue.

Unsupported rating	CARE AA+ [Double A Plus] (Reaffirmed)
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Note: Unsupported rating does not factor in the explicit credit enhancement.

Detailed rationale and key rating drivers for the credit enhanced debt

The rating assigned to the long-term instruments of Konkan Railway Corporation Limited (KRCL) is based on the credit enhancement (CE) in the form of 'Letter of Comfort' (LoC) provided by Ministry of Railways (MoR), Government of India (GoI), to ensure timely payment of KRCL's debt obligations for the rated instruments. Furthermore, the structured payment mechanism is also a part of the mortgage deed. According to the terms of rated instrument, if the designated account is not funded by KRCL, the trustee will notify the MoR on T-2 days (where T is the due date of debt servicing). Upon such notification from the trustee, MoR would fund the designated account either on T-1 or T Day. LoC is valid till the tenor of the rated instruments. CARE Ratings has relied on an independent legal opinion opining that LoC is unconditional, irrevocable, and legally enforceable. In the past, MoR has infused funds for funding of capex and supporting uninterrupted operations during COVID-19 pandemic.

Key rating drivers of KRCL for unsupported rating

The rating assigned to the instruments of KRCL continues to factor strength derived from majority shareholding of GoI through MoR, the strategic significance of KRCL to Indian Railways network, the continued financial support from the Government through regular equity infusions and interest free advances as well as by way of LOC for raising debt, which provides financial flexibility to KRCL along with trustee-monitored mechanism ensuring timely repayment of its debt obligations.

The rating continues to derive strength from gradual ramp-up in operations of the traffic division of KRCL post COVID-19, healthy order book position providing revenue visibility over the medium term along with strong liquidity position as reflected by adequate cash balances and unencumbered liquid investments on consistent basis.

The rating strengths are partly offset by moderate profitability especially from traffic division and susceptibility of order book to intense competition in the construction sector owing discontinuation of nomination policy by MoR. However, the rating takes cognisance of completion of part doubling of single line Konkan railway route and completion of electrification for the entire Konkan route, which is expected to boost profitability of traffic segment from FY24 (refers to the period April 1 to March 31) due to substantial savings in the fuel cost. The rating also takes cognisance of inherent refinancing risk due to bulky repayment of bonds over FY25-FY27. However, long-term cash flow visibility from traffic segment and sovereign ownership offset the aforementioned risks from the credit perspective.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Rating sensitivities

Positive factors – Not applicable

Negative factors – Factors that could lead to negative rating action/downgrade:

- Dilution of stake by MoR, GoI or dilution in the strategic importance of KRCL for MoR.
- Non-adherence to structured payment mechanism.
- Significant deterioration in standalone credit profile of KRCL.

Detailed description of the key rating drivers

Key rating strengths

Letter of Comfort from MoR (GoI) backing its bonds: GoI through MoR has issued LoC for various bond issues aggregating to ₹1,500 crore through which it undertakes to make funds available to KRCL, if required, to ensure timely repayment of principal and interest thereon. The LoC is strongly articulated and is co-terminus with the tenure of the bonds.

Trustee-monitored mechanism that ensures timely payment of all obligations on the instruments: KRCL follows a structured payment mechanism stipulated by the debenture trust deed. Timely funding of escrow is strictly monitored by debenture trustee who would promptly notify KRCL to fund the escrow account if it is not funded before the due date. Three days prior to the scheduled due date of payment to the bond holders for both coupon and principal, KRCL is required to fund the designated escrow account. If the designated account is not funded by KRCL, the Trustee would notify the MoR two days prior to the scheduled date. Then, one day prior to the scheduled date upon notification from the Trustee, the MoR would fund the designated account so that the payment is made to bondholders on time. CARE Ratings notes that KRCL has been adhering to the above structure and promptly fund the escrow account as per the above mechanism.

Controlling stake and management of MoR, GoI: The GoI has a strong level of control on the management and functioning of KRCL. The freight and passenger fares are decided by the MoR. KRCL's board of directors has representation from the MoR and the state governments of Maharashtra, Karnataka, Kerala and Goa. Being a railway administration under the Indian Railways Act 1989, the corporation is a member of the Indian Railways Conference Association and follows the operating and commercial rules framed by the MoR. KRCL's operational and financial performances are monitored on a regular basis based on a memorandum of understanding between KRCL and Indian Railways.

Strategic importance of KRCL for Indian Railways: The entire western coastal belt except Goa was untouched by railway prior to commissioning of Konkan Railway. Before Konkan Railway, there was no railway line on half of India's western coast and this stood out like a gaping hole on India's railway map. Furthermore, the two important port cities, Mangalore and Mumbai, were not directly connected by the railway network. Thus, Konkan Railway plays a strategically important role in connecting the western coast of India, integrating it with the rest of Indian Railway network. Along with seamless freight movement, it has also played an important role in the development of tourist destinations on the western coast of India, such as Goa, Ratnagiri, Udipi, etc. Besides the traffic revenues (i.e., passenger and freight segment), KRCL also undertakes project for construction of tunnels, bridges, railway tracks, Zonal Railways and various government entities. Given its technical expertise in the construction of railway tracks across hilly and rugged terrain, KRCL is appointed by MoR to undertake construction in section of Udampur-Baramulla-Srinagar railway link.

Demonstrated support from the Government of India by way of financial assistance: GoI through MoR has regularly supported KRCL in the form of unsecured loans to help the corporation to meet its debt obligations. GoI has also extended support through equity infusions from time to time. In FY20 (refers to the period April 1 to March 31), KRCL announced rights issue of ₹490 crore, for partial track replacement, out of which MoR, Government of Kerala and Government of Maharashtra has infused ₹399 crore upto March 2022. Furthermore, during FY22, MoR has also extended financial assistance in the form of interest free loans of ₹235 crore. Considering the strategic importance of KRCL to GoI, CARE Ratings expects such financial support to continue.

Healthy order book position of the project division: KRCL has a healthy outstanding order book position of ₹3,940 crore as on March 31, 2022 (₹3,517 crore as on March 31, 2021) for project division and is currently executing 7 large orders and 14 small orders. The current order book translates to order to sales (project revenue) ratio of 1.94x. The major orders constitute order of ₹2,044 crore towards the construction of AKM road tunnel awarded by the Kerala Government and order worth ₹1,060 crore towards connection of rail at Vinzhinjam Seaport to Southern Railways. However, with discontinuation of award of orders

on nomination basis, receipt of fresh orders on a competitive basis and building-up of order pipeline shall be a key rating monitorable.

Key rating weaknesses

Moderate profitability: The TOI of KRCL during FY22 has doubled from ₹1,576 crore in FY21 to ₹3,200 crore in FY22. The same is primarily driven by the rise in passenger and freight operations post COVID-19 along with almost doubling of project revenue. The passenger revenue during FY22 was ₹602 crore registering an increase of around 200% over FY21. The freight revenue during FY22 was ₹543 crore, which is around 40% higher than that of FY21.

Due to COVID-19, regular passenger train operations remained suspended for entire year, and the construction activities at site were impacted as well, resulting into operating losses. With gradual restoring of train services, the PBILDT margin of KRCL has marginally turned positive during FY22.

During H1FY23 (provisional; refers to the period April 01 to September 30), KRCL reported a TOI of ₹2,360 crore with a PBILDT margin of 9.40%. Owing to low profitability during COVID-19, the debt coverage indicators remained modest. The interest coverage stood moderate at 2.38x and total debt/PBILDT stood at 7.98x during H1FY23. However, CARE Ratings expects substantial savings in the fuel cost with completion of part doubling of single-line Konkan railway route and completion of electrification for the entire Konkan route. The same is expected to boost the profitability of traffic segment from FY24.

Inherent challenges associated with the construction industry: The disproportionate hike in commodity prices as compared to inflation indexation, aggressive bidding, delay in the achievement of financial closure, or delay in project progress due to the unavailability of regulatory clearances might affect the credit profile of the contractors and exert pressure on the margins of the entities operating in the industry.

Liquidity: Strong

KRCL held cash and unencumbered liquid investments amounting to ₹2,570 crore as on September 30, 2022, mainly due to availability of project advances from its clients. KRCL benefits from the long maturity of its debt with term debt repayment commencing from FY24 onwards and non-convertible debenture (NCD) repayments commencing from FY25 onwards.

KRCL does not avail any working capital borrowings as the infrastructure projects executed by KRCL are funded based on the advances from the customers. Furthermore, during FY22, MoR has also extended refundable financial assistance in the form of interest free loans of ₹235 crore to tide over the stress during the pandemic.

Analytical approach:

Credit Enhancement rating: Factoring the CE from LoC provided by MoR, GoI, to ensure timely payment of KRCL's debt obligations until they are fully redeemed. Furthermore, the structured payment mechanism is also a part of the mortgage deed. If the designated account is not funded by KRCL, the Trustee will notify the MoR on T-2 days. Upon notification from the Trustee, the MoR would fund the designated account either on T-1 or T (where T is the due date).

Unsupported rating: Standalone, while factoring in the operational linkages and financial support from MoR.

Applicable criteria

[Policy on Default Recognition](#)

[Financial ratios - Non Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Factoring Linkages with Government](#)

[Rating Methodology - Services Sector](#)

[Rating Methodology - Construction Sector](#)

[Rating Credit Enhanced Debt](#)

[Policy on Withdrawal of Ratings](#)

About the company

Konkan Railway Corporation Limited (KRCL) was formed in 1990 to construct, operate and transfer a single-line railway track between Roha (near Mumbai) and Mangalore (Karnataka) on the west coast of India over a distance of 760 km. It is the first railway project in the country to be executed on the build, operate and transfer principle. Government of India (through Ministry of Railways) is the main shareholder of KRCL, holding 52.81% of the total equity share capital and the balance is shared among state governments of Maharashtra (22.78%), Karnataka (12.13%), Kerala (6.66%) and Goa (5.62%) as on March 31, 2022.

KRCL also undertakes various construction and consultancy projects related to the construction of tunnels, roads, bridges, etc., for some of the State Governments and various advisory assignments in different railway-related fields. Apportioned earnings

from other zonal railways whose traffic either passes through or terminates on the Konkan Railway route also contribute to KRCL's traffic revenues.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23 (UA)
Total operating income	1,576	3,201	2,360
PBILDT	-254	18	169
PAT	-365	-135	80
Overall gearing (times)	1.81	2.35	129
Interest coverage (times)	-1.84	0.10	2.38

A: Audited; UA: Unaudited;

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Please refer Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non-convertible debentures	INE139F07048	July 21, 2014	9.15%	July 21, 2024	170.00	CARE AAA (CE); Stable
Debentures-Non-convertible debentures	INE139F07055	August 11, 2014	9.18%	August 11, 2024	110.00	CARE AAA (CE); Stable
Debentures-Non-convertible debentures	INE139F07063	September 25, 2014	9.08%	September 25, 2024	500.00	CARE AAA (CE); Stable
Debt	INE139F07071	January 25, 2016	8.50%	-	0.00	Withdrawn
Bonds	INE139F07089	March 30, 2016	8.50%	March 30, 2026	250.00	CARE AAA (CE); Stable
Bonds	INE139F07097	April 29, 2016	8.30%	April 29, 2026	50.00	CARE AAA (CE); Stable
Unsupported rating	-	-	-	-	0.00	CARE AA+

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Debentures-Non-convertible debentures	LT	280.00	CARE AAA (CE); Stable	-	1)CARE AAA (CE); Stable (22-Dec-21)	1)CARE AAA (CE); Stable (23-Dec-20)	1)CARE AAA (CE); Stable (03-Jan-20)
2	Debentures-Non-convertible debentures	LT	500.00	CARE AAA (CE); Stable	-	1)CARE AAA (CE); Stable (22-Dec-21)	1)CARE AAA (CE); Stable (23-Dec-20)	1)CARE AAA (CE); Stable (03-Jan-20)
3	Debt	LT	-	-	-	1)CARE AA+; Stable (22-Dec-21)	1)CARE AA+; Stable (23-Dec-20)	1)CARE AA+; Stable (03-Jan-20)
4	Bonds	LT	300.00	CARE AAA (CE); Stable	-	1)CARE AAA (CE); Stable (22-Dec-21)	1)CARE AAA (CE); Stable (23-Dec-20)	1)CARE AAA (CE); Stable (03-Jan-20)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
5	Unsupported rating	LT	0.00	CARE AA+	-	1)CARE AA+ (22-Dec-21)	-	-

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:

Not applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Bonds	Simple
2	Debentures-Non-convertible debentures	Simple
3	Debt	Simple
4	Unsupported rating	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

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please visit www.careedge.in**

Ref: ICRA/Konkan Railway Corporation Limited/28112022/1

Date: November 28, 2022

Mr. Debasish Mitra

GM - Finance

Konkan Railway Corporation Limited

Belapur Bhavan, Sector – 11, CBD Belapur

Navi Mumbai – 400 614

Dear Sir,

Re: Surveillance of ICRA Credit Rating for Rs.1,500 Crore NCD Borrowing Programme of Konkan Railway Corporation Limited (instrument details in Annexure)

Please refer to the Rating Agreement, executed between executed between Konkan Railway Corporation Limited (KRCL) and ICRA Limited (ICRA), whereby, ICRA is required to review its rating(s), on an annual basis, or as and when the circumstances so warrant. Based on a review of the latest developments, the Rating Committee of ICRA, after due consideration, has reaffirmed the rating of your non-convertible debenture (NCD) programme at [ICRA]AAA(CE) (pronounced as [ICRA] triple A credit enhancement). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The Outlook on the long-term rating is 'Stable'.

In any of your publicity material or other document wherever you are using the above Rating(s), it should be stated as **[ICRA]AAA(CE) (Stable)**.

The Rating(s) are specific to the terms and conditions of the NCD programme as indicated to us by you, and any change in the terms or size of the same would require a review of the Rating(s) by us. In case there is any change in the terms and conditions or the size of the rated NCD programme the same must be brought to our notice before the NCD programme is used by you. In the event such changes occur after the Rating(s) have been assigned by us and their use has been confirmed by you, the Rating(s) would be subject to our review, following which there could be a change in the Rating(s) previously assigned. Notwithstanding the foregoing, any change in the over-all limit of the NCD programme from that specified in the first paragraph of this letter would constitute an enhancement that would not be covered by or under the said Rating Agreement.

The Rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated NCD programme availed/issued by your company.



You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We look forward to your communication and assure you of our best services.

With kind regards,

Yours sincerely,
For ICRA Limited

RAJESHWAR
BURLA
Rajeshwar Burla
Vice President and Group Head
Email Id: rajeshwar.burla@icraindia.com

Digitally signed by
RAJESHWAR BURLA
Date: 2022.11.28 16:54:01
+05'30'



Annexure

List of All Instrument Rated (With Amount Outstanding)

Instrument	Rated Amount (Rs. crore)	Amount Outstanding (Rs. crore)	Rating	Rating Assigned on
NCD	1,500.0	1,500.0	[ICRA]AAA(CE) (Stable)	November 23, 2022
	1,500.0	1,500.0		

Mr. Mathew Philip
Financial Advisor and Chief Accounts Officer
Konkan Railway Corporation Limited
Belapur Bhavan, Plot No 6, Sector 11,
CBD Belapur, Navi Mumbai – 400614

August 22, 2022

Dear Sir/Madam,

Re: Rating Letter for NCDs & BLR of Konkan Railway Corporation Limited

India Ratings and Research (Ind-Ra) has affirmed Konkan Railway Corporation Limited's (KRCL) debt instruments as follows:

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Non-convertible debentures (NCDs)*	INE139F07113	1 October 2019	7.94	1 October 2029	INR1,200	IND AAA(CE)/Stable	Affirmed
NCDs*	INE139F07105	22 September 2016	7.65	22 September 2026	INR3,000	IND AAA(CE)/Stable	Affirmed
Bank loans	-	-	-	-	INR12,000	IND AA+/Stable	Affirmed
Unsupported Rating#	-	-	-	-	-	IND AA+/Stable	Affirmed

*The NCDs have a bullet repayment structure

#Ind-Ra assigned an unsupported rating in compliance with the Securities Exchange Board of India's circular dated 13 June 2019, which requires credit rating agencies to disclose unsupported ratings without factoring in the explicit credit enhancement (CE) and supported rating after factoring in the explicit CE. The unsupported rating is at the same level as the long-term bank loan ratings, and hence was not provided separately earlier.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Devendra Pant
Senior Director

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Bank Loan	State Bank of India	IND AA+/Stable	7000
Bank Loan	EXIM Bank	IND AA+/Stable	5000

