

Sadbhav Engineering Limited

April 14, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Outstanding Ratings ¹
Long Term Bank Facilities	657.97	CARE BBB (CWN) (Triple B) (Under Credit watch with Negative Implications)
Long Term / Short Term Bank Facilities	2,000.00	CARE BBB / CARE A3+ (CWN) (Triple B / A Three Plus) (Under Credit watch with Negative Implications)
Short Term Bank Facilities	20.00	CARE A3+ (CWN) (A Three Plus) (Under Credit watch with Negative Implications)
Total Bank Facilities	2,677.97 (Rs. Two Thousand Six Hundred Seventy-SevenCrore and Ninety-SevenLakhs Only)	
Non Convertible Debentures	150.00	CARE BBB (CWN) (Triple B) (Under Credit watch with Negative Implications)
Total Long TermInstruments	150.00 (Rs. One Hundred FiftyCrore Only)	

Updates

Sadbhav Infrastructure Project Ltd (SIPL; rated CARE BBB (CE); CWN and CARE BBB/CARE A3+; CWN) has executed debenture trust deed with an investor for raising funds upto Rs.700 crore in the form of Non-Convertible Debentures (NCD) while securitizing listed InvIT units of Indinfravit Trust during February 2021 the transaction is subject to fulfilment of customary conditions precedent. As informed by the company to the CARE Ratings, it has fulfilled all conditions precedents for the transaction including pledge of requisite units of InvIT and other documentary formalities mitigating the risk of any further delay in the transaction to a large extent. Existing investors/lenders have also issued no objection certificate (NOC) to the trustee for the aforementioned debt. Proceeds of NCD issuance is proposed to be utilized for the schedule redemption of existing NCD of Rs.72.08 crores due on April 15, 2021, other debt repayments and towards the balance equity commitment in HAM assets of SIPL. On April 10, 2021, SIPL made an announcement on stock exchange towards partial prepayment of another tranche of outstanding NCDs which also reinforce visibility of the transaction. Fructification of aforementioned NCD issuance is expected to support liquidity of the Sadbhav group². However, any delay in the release of funds and consequent impact on the impending repayment obligations is a key rating monitorable.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and rating sensitivities: [Click here](#)

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

²Combining Sadbhav Engineering Limited (standalone) and SIPL (standalone) financials

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