

Sadbhav Infrastructure Project Limited

April 14, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Outstanding Rating ¹
Long Term / Short Term Bank Facilities	400.00	CARE BBB / CARE A3+ (CWN)
Total Bank Facilities	400.00	
Long-term Non-Convertible Debentures-III*	150.00	CARE BBB (CE) (CWN) [Triple B (Credit Enhancement)] (Under Credit watch with Negative Implications)
Long-term Non-Convertible Debentures-IV*	89.20	CARE BBB (CE) (CWN) [Triple B (Credit Enhancement)] (Under Credit watch with Negative Implications)
Long-term Non-Convertible Debentures-V*	110.80	CARE BBB (CE) (CWN) [Triple B (Credit Enhancement)] (Under Credit watch with Negative Implications)
Total Instruments	350.00 (Rs. Three Hundred Fifty-Crore Only)	

*backed by unconditional and irrevocable corporate guarantee of Sadbhav Engineering Limited [SEL; rated CARE BBB/ CARE A3+ (Under Credit watch with Negative Implications)]

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 definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

²Combining SEL (standalone) and SIPL (standalone) financials

Contact us

Media Contact

Mr. Mradul Mishra
Contact no. - +91-22-6837 4424
Email ID - mradul.mishra@careratings.com

Analyst Contact

Mr. Maulesh Desai
Contact no.: 079- 4026 5605
Email ID: maulesh.desai@careratings.com

Relationship Contact

Mr. Deepak Prajapati
Contact no. - 079 – 4026 5656
Email ID – deepak.prajapati@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.

Disclaimer

CARE's ratings 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. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo 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 is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE'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.

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