

Sadbhav Bangalore Highway Private Limited

February 27, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	484.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Detailed rationale and key rating drivers

CARE Ratings Ltd. vide its press release dated December 1, 2022, placed the rating of Sadbhav Bangalore Highway Private Limited (SBHPL) under the 'issuer non-cooperating' category as SBHPL had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. ABC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and emails dated October 17, 2023, October 27, 2023 and November 06, 2023. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating based on the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders, and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating considers the on-going delays in the debt servicing as well as issuance of notice of intention to terminate concession agreement (CA) by National Highways Authority of India (NHAI).

Detailed description of the key rating drivers

At the time of last rating on December 01, 2022, the following were the rating strengths and weaknesses:

Key weaknesses

On-going delays in debt servicing as well as issue of termination notice by NHAI

SBHPL has entered into settlement agreement entered with authority for issuance of partial commercial operations date for 81.17 km of length while de-scoping of unavailable land and allowing extension of time till December 2021 for completion of balance 58.82 km and entire work till June 2022. However, as per results declared by Sadbhav Infrastructure Projects Limited (SIPL) and Sadbhav Engineering Limited (SEL) on May 28, 2022, and May 31, 2022, respectively, NHAI has issued intention to terminate the Concession Agreement of SBHPL due to tardy project progress. Lenders have notified to NHAI about exercise of their right of substitution of concessionaire against this notice and requested to allow 180 days for the substitution of the concessionaire. Further, as per the interaction with lenders, there are ongoing delays in debt servicing.

Liquidity: Poor

Liquidity is poor marked by on-going delays in debt servicing.

Analytical approach: Standalone

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

[Road Assets-Hybrid Annuity](#)

About the company and industry

Industry classification

Macro-Economic Indicator	Sector	Industry	Basic Industry
Services	Services	Transport Infrastructure	Road Assets-Toll, Annuity, Hybrid-Annuity

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

SBHPL, a special purpose vehicle (SPV), incorporated and owned by SIPL has entered into 17-year (including construction period of 730 days from appointed date) CA with NHAH for the design, build, finance, operate and transfer (DBFOT) of 170.92 km road on HAM basis.

The project under consideration aims at two/four laning of BRT Tiger Reserve to Bangalore section of NH – 209 from km 287.500 to 458.420 in the State of Karnataka. The project includes refurbishment of existing two-lane bituminous road with design chainage from 287.500 to 424.920 (137.42 km) and four laning of existing two-lane bituminous road with design chainage from 424.920 to 458.420 (33.50 km). The bid project cost (BPC) of the project of Rs.1,008 crore is proposed to be funded through debt, sponsor's contribution, and construction support from NHAH in the ratio of 48%, 12% and 40% respectively.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	NA	NA	NA
PBILDT	NA	NA	NA
PAT	NA	NA	NA
Overall gearing (times)	NA	NA	NA
Interest coverage (times)	NA	NA	NA

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'; NA: Not applicable for project stage entity

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Term Loan-Long Term	-	-	March 31, 2034	484.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 2023-2024	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
1	Term Loan-Long Term	LT	484.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (01-Dec-22) 2)CARE D (08-Jun-22)	1)CARE BB+; Negative (27-Aug-21)	1)CARE BBB+; Negative (29-May-20)

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Term Loan-Long Term	Simple

Annexure-5: Lender details

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

Note on the 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

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 91 22 6754 3444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Maulesh Desai Director CARE Ratings Limited Phone: 079-40265605 E-mail: maulesh.desai@careedge.in Setu Gajjar Assistant Director CARE Ratings Limited Phone: 079-40265615 E-mail: setu.gajjar@careedge.in Renil Kotak Analyst CARE Ratings Limited E-mail: Renil.kotak@careedge.in
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About us:

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