

## Sadbhav Bangalore Highway Private Limited

May 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	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.

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated December 01, 2022, placed the rating(s) of Sadbhav Bangalore Highway Private Limited (SBHPL) under the 'issuer non-cooperating' category as SBHPL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. SBHPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated January 12, 2025, January 22, 2024, and February 01, 2025, among others. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of 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 substitution of concessionaire i.e SBHPL in the month of October 2022.

### Detailed description of key rating drivers:

At the time of last rating on February 27, 2024, the following were the rating strengths and weaknesses

#### Key weaknesses

##### On-going delays in debt servicing as well as lender exercising their right of substitution

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 the annual report of Sadbhav Infrastructure Projects Limited (SIPL) for FY24, 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. The lenders of SBHPL notified NHAI about exercise of their right of substitution of concessionaire i.e SBHPL in the month of January 2022. Subsequently, the lenders have approved the anchor offer received from the Gawar Construction Limited in the month of October 2022 for the purpose of substitution of the Company. Consequent upon this, Endorsement agreement has been executed on February 13, 2023, between NHAI, Lead Banker, New SPV of GCL and the subsidiary Company. The new SPV Gawar Bangalore Highways Private Limited is debt-free post-acquisition by Capital Infra Trust in January 2025.

**Liquidity:** Poor

**Analytical approach:** Standalone

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

## Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Hybrid Annuity Model based road projects](#)

[Infrastructure Sector Ratings](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Infrastructure	Road Assets–Toll, Annuity, Hybrid-Annuity

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 NHAI 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 NHAI in the ratio of 48%, 12% and 40% respectively.

**Brief Financials:** Not applicable as project stage entity

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of instruments/facilities

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

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

**Annexure-2: Rating history for 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	484.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Feb-24)	1)CARE D; ISSUER NOT COOPERATING* (01-Dec-22) 2)CARE D (08-Jun-22)

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of 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 complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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