

December 10, 2013

**CARE PLACES THE RATINGS ASSIGNED TO THE BANK FACILITIES OF
SEW NAVAYUGA BARWANI TOLLWAYS PRIVATE LIMITED ON CREDIT WATCH**

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities (Senior Debt)	528.95	CARE BBB [Triple B] (Credit Watch)	Placed on credit watch
Long-term Bank Facilities (Sub Debt)	29.16	CARE BBB- [Triple B Minus] (Credit Watch)	Placed on credit watch
Total	558.11		

Rating Rationale

The above ratings have been placed under 'credit watch', in view of the proposed divestment of equity stake in SEW Navayuga Barwani Tollways Private Limited (SNB). CARE is in the process of evaluating the impact of the above developments on the credit quality of SNB and would take a view on the rating when the exact implications of the above are clear.

Background

SEW Navayuga Barwani Tollways Pvt Ltd (SNB) is a Special Purpose Vehicle (SPV) promoted by SEW Infrastructure Ltd (SEW) and Navayuga Engineering Company Limited (NECL) – [rated CARE BBB/CARE A2] to undertake 82.8 km long project road for four-laning of Khalghat to Madhya Pradesh/Maharashtra border section of NH-3 from Km 84.70 to Km 167.50 under NHDP Phase IIIA on BOT Toll basis.

The Concession Agreement (CA) was executed between SNB and National Highways Authority of India (NHAI) on April 16, 2008, for a concession period of 18 years. The project was implemented and completed ahead of schedule (by around 44 days) as per the terms of the concession agreement. The Project COD was April 4, 2011. SNB has completed two years of successful tolling operations.

For FY12, SNB registered tolling income of Rs.77.23 crore with loss of Rs.30.92 crore. Furthermore, for 9MFY13, SNB has recorded, tolling income of Rs.66.41 crore with loss of Rs.15.12 crore (un-audited) and earned cash profits of Rs.8.45 crore.

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

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

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