

CARE/ARO/RL/2018-19/1726

Mr Nitin R. Patel
Executive Director
Sadbhav Infrastructure Project Ltd.
"Sadbhav House",
Opp. Law Garden Police Chowki,
Ellisbridge,
Ahmedabad – 380006

September 12, 2018

Confidential

Dear Sir,

Credit rating for outstanding Non-Convertible Debentures (NCDs) issue

On the basis of recent developments including operational and financial performance of Sadbhav Infrastructure Private Ltd for FY18 (audited) and Q1FY19 (unaudited), our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Non Convertible Debenture	300.00 (Rupees Three Hundred Core Only)	CARE A+ (SO); Stable [Single A Plus (Structured Obligation); Outlook: Stable]	Reaffirmed

- The NCDs are repayable as mentioned in **Annexure I**.
- The above rating is based on the credit enhancement in the form of irrevocable and unconditional corporate guarantee extended by Sadbhav Engineering Limited (SEL; rated 'CARE A+; Stable/CARE A1').
- The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which shall be sent to you separately.

R. M.

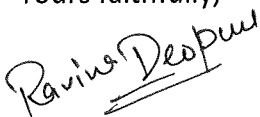
¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.
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5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
8. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

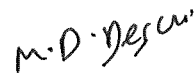
Yours faithfully,



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32, Titanium, Prahaladnagar Corporate Road, Satellite, Ahmedabad - 380 015

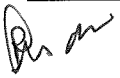
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Encl.: As above

Disclaimer

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In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is 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.



Annexure 1
Details of rated instrument

Amount of the facility	Rs.300 crore to be issued in two tranches Tranche 1: Rs.200 crore Tranche 2: Rs.100 crore
Amount outstanding as on September 11, 2018	Rs. 300 crore
Debenture Trustee	IDBI Trusteeship Services Limited
Tenure	<p>Tranche 1 Series I - Rs.50 crore, Maturity April 30, 2019 Series II - Rs.50 crore, Maturity April 15, 2020 Series III - Rs.50 crore, Maturity April 15, 2021 Series IV – Rs. 50 crore, Maturity April 15, 2022</p> <p>Tranche 2 Series A: Rs.25 crore; Maturity – June 25, 2019 Series B: Rs.25 crore; Maturity – April 20, 2020 Series C: Rs.25 crore; Maturity – April 26, 2021 Series D: Rs.25 crore; Maturity – April 26, 2022</p>
Coupon Rate	<p>Tranche 1 Coupon of 2.60% payable p.a. and redemption premium at maturity of each series as indicated below: Series I – Rs.10.88 crore Series II – Rs.15.65 crore Series III – Rs.21.11 crore Series IV – Rs.27.14 crore</p> <p>Tranche 2 Zero Coupon Bond and redemption premium at the maturity of each series: Redemption premium to be to be determined at the time of the Pay-In-Date for Tranche 2 Debentures in order to achieve internal rate of return equivalent to the calculation of which is given below:</p> <p>10.30% p.a. +/- [(A-B)] * 50%;</p> <p>Where: 'A' shall mean (average yield of AAA corporate 3 (three) year tenure for last 10 (ten) trading days from the date intimated to the Debenture Holders), as determined in the 4th (fourth) fiscal quarter of Financial Year 2017; and 'B' shall mean 7.43% (seven decimal four three percent) However, in any event the internal rate of return shall not be less than 10.00 % p.a. and more than 10.60% p.a.</p>
Key Security	<ul style="list-style-type: none"> Unconditional, irrevocable corporate guarantee of Sadbhav Engineering Ltd.
Put Option	<p>Tranche 1 For Series III & IV, Put Option at end of 3rd year</p>

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