

NAGPUR SEONI EXPRESSWAY LIMITED

CIN: U45203GJ2007PLC049963

Ref: NSEL/2019-20/0024

12th November, 2019

To
The Dy Gen Manager
Listing Department,
Debt Market
BSE Limited
PJ Tower, Dalal Street,
Mumbai- 400 001

Dear Sir/ madam,

**Sub: Half Yearly Compliance Report of Non-Convertible Debentures ("NCDs")
aggregating to Rs.195 Crores for the half year ended 30th September, 2019.**

In compliance with Regulation 52(4) and 52(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the half yearly Debt Compliance Report for the half year ended 30th September, 2019.

You are requested to take the same on record.

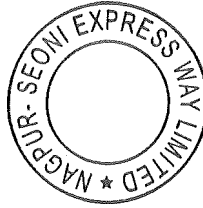
Thanking You

Yours faithfully,

FOR, NAGPUR - SEONI EXPRESSWAY LIMITED

Daksh Parikh

DAKSH PARIKH
COMPANY SECRETARY
MEMBERSHIP NO. A60174
Encl: a.a



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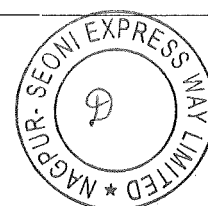
To
The Dy Gen Manager
Listing Department,
Debt Market
BSE Limited
PJ Tower, Dalal Street,
Mumbai- 400 001

Dear Sir,

Sub: Half Yearly disclosure as per Regulation 52 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance of the requirements of Regulation 52 (4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in respect of Secured, Listed, Redeemable, Non-Convertible Debentures aggregating to Rs. 195 Cr. listed on the whole sale debt market of the BSE Limited, we are giving below the following information as on 30th September, 2019:

Sl. No.	Particulars	Disclosures
1.	Credit Rating of the Debentures	CARE AAA (SO) IND AAA (SO)-India Rating & Research (Attached as Annexure-1)
2.	Asset Cover available	1.21
3.	Debt-Equity Ratio	2.55
4.	Previous due date for the payment of Principal and whether the same has been paid or not	Previous due date for the payment of Principal is 01/08/2019 and the same has been paid on 31/07/2019.
5.	Previous due date for the payment of interest and whether the same has been paid or not	Previous due date for the payment of Principal is 01/08/2019 and the same has been paid on 31/07/2019.
6.	Next due date for the payment of Principal and the amount	Next due date for the payment of Principal is 01/02/2020 and the amount is Rs.78.00 Millions
7.	Next due date for the payment of Interest and the amount	Next due date for the payment of Interest is 01/02/2020 and the amount is Rs.67.76 Millions
8.	Debt service coverage ratio	1.42



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9.	Debt service coverage ratio	1.42
10.	Interest Service converge ratio	2.01
11.	Debenture redemption reserve	Rs. 132.79 Million
12.	Net worth	Rs. (127.19) Million
13.	Net profit after tax	Rs. (1.89) Million
14.	Earnings per share	(0.04)

Please take the same on records.

Thanking You,

Yours faithfully,

FOR NAGPUR-SEONI EXPRESS WAY LIMITED



DAKSH PARIKH
COMPANY SECRETARY
MEMBERSHIP NO. A60174



CARE/ARO/RL/2018-19/1899

Mr. Nitin R. Patel
Director
Nagpur Seoni Expressway Ltd
"Sadbhav House"
Opp. Law Garden Police Chowki
Ellis Bridge, Ahmedabad – 380 006

October 01, 2018

Confidential

Dear Sir,

Credit rating for outstanding Non-Convertible Debenture issue

On a review of recent developments including financial performance of your company for FY18 (Audited), our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore ₹)	Rating ¹	Rating Action
Non-Convertible Debenture issue	174.89	'CARE AAA (SO); Stable' [Triple A (Structured Obligation); Outlook; Stable]	Reaffirmed
Total	174.89 (Rupees One Hundred Seventy Four Crore and Eighty Nine Lakhs Only)		

- The NCDs would be repaid in 22 structured half yearly repayments starting from August 01, 2016 and ending in February 01, 2027.
- 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 is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a

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

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matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by January 06, 2017 we will proceed on the basis that you have no comments to offer.

4. 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.
5. 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.
6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
7. 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


Palak Vyas

Manager

palak.gandhi@careratings.com

Yours faithfully,



Maulesh Desai

Associate Director

maulesh.desai@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. 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.

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 NCD

Particulars	Issue Details
Size of the issue	Issue of bonds in the form of NCD aggregating to Rs.195 crore structured in the form of two series as provided below: Series A: Rs.100 crore Series B: Rs.95 crore
Outstanding as on March 31, 2018	Rs.174.89 crore
ISIN Number	Series A: INE626J07012 Series B: INE626J07053
Tenure	Series A: 9 years and one month Series B: 11 years and one month
Issue Price	Each unit of Debentures of Series A and Series B shall have face value of Rs.1 lakh and shall be issued at par.
Mode of Issuance	Private Placement
Rate of interest (coupon rate)	Series A:- 8.72 % fixed per annum payable semi annually Series B:- 8.91 % fixed per annum payable semi annually
Purpose of the issue	Refinancing of the existing debt facilities of the issuer
Time lag between receipt of annuity and date of redemption of NCD	60 days
Debt service reserve account (DSRA)	The Issuer shall maintain in the DSRA a total amount of fixed deposits equivalent to ensuing 6 months of interest on the outstanding NCDs and 100% of the face value of the NCDs maturing during the next redemption/due date (DSRA Amount). Debenture Trustee may accept, at their option, a guarantee from a Bank/financial institution (if permitted under Applicable Laws) in place of fixed deposit without recourse to the Project assets / revenues. The cost of the guarantee shall be borne by the Sponsors without recourse to assets of the Issuer. The DSRA shall be created upfront before subscription to the NCDs and shall be maintained at all times during the currency of the NCDs.
Invocation of BG issued in lieu of funded DSRA	Escrow bank will be empowered to invoke the bank guarantee (to the extent of shortfall in debt servicing) established towards the DSRA, seven days

Particulars	Issue Details
	before the scheduled debt service date. Once the BG for the DSRA is invoked, the sponsor has to replenish the same with the fresh BG without recourse to NSEL. In the intervening period, DSRA will be kept only in the form of fixed deposit.
Renewal of BG issued in lieu of funded DSRA	If the renewed BG towards DSRA is not received by the Escrow Banker or the trustee before one month of the expiry date, they will invoke the BG and the Sponsors will have the responsibility of establishing a fresh BG towards the DSRA without recourse to the Company. In the intervening period, DSRA will be kept only in the form of fixed deposit.

Handwritten signature/initials

Annexure-2
Press Release
Nagpur Seoni Expressway Limited

Ratings

Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debenture Issue	174.89	CARE AAA (SO); Stable (Triple A; Structured Obligation); Outlook: Stable	Reaffirmed
Total Instruments	174.89 (Rupees One Hundred Seventy Four Crore and Eighty Nine Lakhs Only)		

Details of instruments in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the Non-Convertible Debenture (NCD) issue of Nagpur Seoni Expressway Limited (NSEL) continues to derive strength from the credit quality of the underlying annuity receivables from National Highways Authority of India (NHAI; rated CARE AAA; Stable/ CARE A1+) which is further supplemented by a structured payment mechanism for servicing of the NCDs, established track record of receipt of annuities from NHAI, elimination of interest rate risk (through issue of fixed coupon rate NCDs), presence of debt service reserve account (DSRA), pre-defined appropriation of funds into major maintenance reserve account (MMRA), fixed price contractual arrangement for operation and maintenance (O&M) along with other credit enhancement features in the structure and completion of the first major maintenance (MM) during FY17. In addition, the rating also considers established track record of the sponsor, Sadbhav Infrastructure Projects Limited [SIPL; rated 'CARE A-; Stable/CARE A2+/ CARE A+ (SO); Stable'], in operating & maintaining various build – operate – transfer (BOT) based road projects of Sadbhav Group.

Any deterioration in the credit profile of the annuity provider (NHAI), deviations in complying with the terms and covenants of the in-built structure of the NCD and occurrence of force majeure events shall be the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Operational annuity project with established track record of receipt of annuity from NHAI, thus providing cash flow stability

NSEL commenced commercial operations from May 2010. Being an operational annuity road project with NHAI as the annuity provider, the revenue risk is expected to be minimal. This is exhibited from its track record of receipt of 16 semi-annual annuities of Rs.19.20 crore each without any deductions till August 31, 2018. NSEL receives the semi-annual annuities in the months of May and November every year. Further, presence of a 'T plus 60' structure for due date of debt servicing with 'T' being the scheduled date for receipt of annuity from NHAI is expected to take care of any procedural delay in receipt of annuity.

Low credit risk associated with the annuity provider (NHAI)

NHAI's rating factors in the high level of support that it receives from GoI due to its strategic importance as the country's nodal agency for implementing various road sector projects including various phases of National Highways Development Programme (NHDP). The outlook on NHAI reflects the outlook on the sovereign, whose

¹Complete definitions of the ratings assigned are available at www.coreratings.com and in other CARE publications.

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direct and indirect support continues to be the key rating driver. By virtue of being a quasi-government body, the risk arising from NHAI defaulting on the annuity payments is negligible.

Structured payment mechanism in place

The annuity receivable from NHAI is deposited in a trustee monitored escrow account and utilization out of the account is made as per the pre-defined water fall mechanism. The terms of the NCD structure ensures transfer of requisite amounts to the designated accounts like DSRA and MMRA. NSEL has created DSRA to the tune of Rs.1.44 crore in fund-based form while DSRA to the tune of Rs.13.55 crore is created in the form of non-fund based bank guarantee (BG) which is renewed on regular basis on its expiry. NSEL has recently renewed the BG towards its DSRA requirement and the same is valid till December 31, 2018. Sponsor's undertaking to establish fresh BG without recourse to NSEL and provision of keeping funded DSRA in the intervening period in case of non-renewal of BG, provides comfort from the credit perspective. Although, NSEL has a successful track record of renewal of its DSRA BG in the past, however, its ability to renew the BG as per terms of the structure on a sustained basis in the current challenging scenario faced by various banks and financial institutions will be a key rating monitorable.

Mitigation of Interest rate risk

The NCD issued by the company has a fixed coupon rate for the entire tenure resulting in elimination of interest rate fluctuation risk.

Fixed price contractual arrangements for O&M and MM with SIPL

NSEL has entered into fixed rate O&M and MM agreement with SIPL for the entire tenure of NCD issue which mitigates O&M risk to a very large extent. NSEL has completed first major maintenance activity during FY17. During FY18, NSEL has also created major maintenance reserve as per terms of the structure.

Established track record of the sponsor in operating various BOT based road projects

SIPL has a portfolio of 25 BOT projects of which eleven are operational, one is partly operational and thirteen are under construction HAM projects. SIPL has a geographically diversified portfolio of BOT assets with presence in states like Rajasthan, Gujarat, Maharashtra, Karnataka, Haryana and Telangana.

Analytical approach: Standalone along with credit enhancement in the form of underlying annuity receivables from NHAI and existence of a 'structured payment mechanism' covering utilization of the annuity receipts and its appropriation to various reserves has also been suitably factored in the analysis.

Applicable Criteria

Criteria on assigning Outlook to Credit Rating

CARE's Policy on Default Recognition

Rating Methodology - Factoring Linkages in Ratings

Rating Methodology - Infrastructure Sector Ratings

Financial Ratios – Non-Financial Sector

About the company

Incorporated in February 2007, NSEL is a special purpose vehicle (SPV) promoted by SIPL to design, build, finance, operate and transfer a four-lane road for the total length of 56.48 km starting from Seoni bypass to Madhya Pradesh (MP)/Maharashtra border of National Highway – 7 (NH-7) in the state of MP on an annuity basis. As per the concession agreement (CA), the concession period of the project is 20 years (including construction period of 30 months) from the appointed date.

Out of the total project stretch of 56.48 km, certain length of the stretch fell under reserve forest area along the periphery of Pench Tiger Reserve in the state of MP. Due to prolonged delay in the clearance of this stretch of land from the Wild Life Board for construction of the road, NHAI had deleted this stretch from the scope of work as per

the provision of the CA. Subsequently, NSEL had achieved final commercial operations date (COD) for the completed stretch of 27.73 km of road with effect from September 24, 2010.

Brief Financials (Rs. Crore)	FY17 (A)	FY18(A)
Total operating income (TOI)	39.42	18.02
PBILDT	17.80	14.62
PAT	(6.26)	(11.87)
Overall Gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited; NM: Non meaningful

NSEL's financials for FY17 and FY18 are as per IND-AS, where in it has recognized financial assets as the present value of annuities receivables under its concession (discounted based on effective interest rate method) and interest income on these assets as it accrues during the year. Hence, these financials are non-meaningful.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not Applicable

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

Note on complexity levels of the rated instrument: 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.

Analyst Contact:

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Mobile: +91-8511190079

Email: maulesh.desai@careratings.com

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

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Annexure-I: Details of Facilities/Instruments

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-Convertible Debenture Issue	December 15, 2015	Series A – 8.72% p.a. Series B – 8.91% p.a.	Series A – February 1, 2025 Series B – February 1, 2027	174.89	CARE AAA (SO); Stable

Annexure-II: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (25-Jan-16) 2)CARE A- (08-Apr-15)
2.	Non-Convertible Debenture Issue	LT	174.89	CARE AAA (SO); Stable	-	1)CARE AAA (SO); Stable (05-Jan-18)	1)CARE AAA (SO); Stable (23-Jan-17)	1)CARE AAA (SO) (09-Feb-16) 2)Provisional CARE AAA (SO) (09-Dec-15)



India Ratings Affirms Nagpur Seoni Express Way's NCDs at 'IND AAA(SO)'; Outlook Stable

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NOV 2018

By Vishal Kotecha

India Ratings and Research (Ind-Ra) has affirmed Nagpur Seoni Express Way Limited's (NSEWL) senior, secured, redeemable non-convertible debentures (NCDs) as follows:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
NCDs**	-	8.8% (weighted average)	February 2027	INR1,950*	IND AAA(SO)/Stable	Affirmed

*amount outstanding on 19 November 2018 was INR1,67.65 million

** details in Annexure

The affirmation reflects the continuing timely receipt of annuities from National Highways Authority of India (NHAI; 'IND AAA/Stable'), adequate built-in liquidity in the form of a debt service reserve account (DSRA) and increased annuity due to a favourable arbitration award. The increased annuity has propped up the debt service coverage ratio. Although the sponsor has undertaken to meet any jump in operations and maintenance (O&M) costs and lifecycle costs above the base case plan, the agency believes that the additional annuity would provide additional cushion to meet any cost overruns in O&M and life cycle costs in FY22 and FY27. Any increased reliance on the sponsor and higher debt would be a rating sensitivity

PROJECT PROFILE

Part of the Sadbhav Group, NSEWL has implemented and operates a four-lane 27.73km road stretch from Seoni bypass to the Madhya Pradesh-Maharashtra Border on NH7 on an annuity basis for a 20-year concession period.

Of the total project stretch of 56.48km, a certain length falls under a reserve forest area and at the periphery of Pench Tiger Reserve in Madhya Pradesh. Due to the prolonged delay in the clearance of land, NHAI had delinked this stretch from the scope of work and reduced the semi-annual annuity to INR191.9 million from INR354 million, payable half-yearly. Subsequently in November 2018, the company has received a favourable arbitration award of additional annuity of INR26 million and a lump sum of INR718.05 million.

NSEWL achieved commercial operations in May 2010. The project with the revised scope was completed at a cost of INR2.78 billion, which was 62% funded through foreign currency debt and 38% through promoter contribution. The foreign currency debt had been replaced through fixed-rate NCDs.

FINANCIAL SUMMARY

Particulars	FY18	FY17
Revenue from operations (INR million)	35.60	238.74

Total income (INR million)	180.75	394.20
EBITDA (INR million)	146.2	177.99
EBITDA margin (%)	80.88	45.15
Source: Company		

KEY RATING DRIVERS

Stable Availability-Based Payments: A stable revenue profile from a strongly rated counterparty lends strength to the rating. The project has been operational from FY14 and has received annuities without any performance-related deductions for the last four years. Although the concession agreement stipulates performance deductions (such as lane non-availability) in annuity payments, NSEWL's track record of receiving full and timely annuity payments and the group's track record in operating highway projects mitigate availability-related risks. Ind-Ra expects NSEWL to continue receiving fixed and pre-agreed semi-annual annuities in accordance with the concession agreement in May and November each year.

Additional Annuity Receipts Favour Coverage Ratios: The project will receive a two-part claim – a lump sum amount of INR718.05 million and additional semi-annual annuity of INR26 million. The management expects to pay-off the sponsors from the lump sum portion which the agency has not considered in its analysis. Although there is a provision to borrow additionally by securitising cash flows, this would be separately evaluated and is a rating sensitivity. The additional annuity enhances the coverage ratios and would be an added source to build the major maintenance reserve.

Sponsor Undertakings: The sponsor has undertaken to meet O&M and major maintenance costs higher than the base case plan. These fund injections would be a subordinated facility with no rights to call an event of default. Also, the sponsor would provide a bank guarantee equal to 15% of the annuity or higher sum as indicated by the independent consultant during the last two years of the project concession. Therefore, any significant deterioration in the sponsor's profile would be a rating sensitivity.

Increase in O&M Costs: The project has a fixed price O&M contract until the concession tenor end and there is a sponsor undertaking to bridge any increased costs. However, the operating expenses in FY18 were higher than the base case plan by 12.5%. The management asserts that these were due to high professional fees for arbitration proceedings and the costs would recede, according to the agreements. The agency would monitor the costs for the upcoming years and the timely sponsor support to meet such surges. Also, the covenant in the concession agreements relating to the replacement of the operator in the event of any material breach of obligations is supported by the availability of adequate operators in the market.

Debt Structural Features: The project has a created DSRA of INR150 million equivalent to two quarters of debt service (of which INR135.5 million is in form of a bank guarantee) and reserve of INR47.5 million for major maintenance as of October 2018. The excess cash would be used to create an additional major maintenance reserve including a reserve of INR85 million for major maintenance in FY22. An advance segregation of over 60 days between the receipt of annuity and redemption of NCDs (February and August each year) for any potential procedural delays is a credit positive. A 10-month tail period, though lower, is comparable to other Ind-Ra-rated annuity road projects.

RATING SENSITIVITIES

Negative: Following aspects would individually or collectively could result in a rating downgrade:

- a continued increase in O&M costs, not supported by the sponsors
- deterioration in the sponsor's credit profile
- a breach in the sponsor's undertakings
- additional gearing
- any performance deductions, depletion of DSRA and counterparty's credit quality weakening

RATING HISTORY

Instrument Type	Current Rating			Historical Rating/Outlook	
	Rating Type	Size of Issue (million)	Rating	15 June 2017	30 May 2016
NCDs	Long-term	INR1,950	IND AAA(SO)/Stable	IND AAA(SO)/Stable	IND AAA(SO)/Stable

ANNEXURE

Instrument	ISIN Number	Date of Issue	Coupon Rate (%)	Maturity date	Issue Size (million)	Rating/Outlook	Rating Action
NCDs	INE626J07012	15 December 2015	8.72	1 February 2025	INR906.5	IND AAA(SO)/Stable	Affirmed
NCDs	INE626J07079	15 December 2015	8.91	1 February 2019	INR40	IND AAA(SO)/Stable	Affirmed
NCDs	INE626J07087	15 December 2015	8.91	1 August 2019	INR40	IND AAA(SO)/Stable	Affirmed
NCDs	INE626J07095	15 December 2015	8.91	1 February 2020	INR40	IND AAA(SO)/Stable	Affirmed
NCDs	INE626J07103	15 December 2015	8.91	1 August 2020	INR40	IND AAA(SO)/Stable	Affirmed
NCDs	INE626J07111	15 December 2015	8.91	1 February 2021	INR40	IND AAA(SO)/Stable	Affirmed
NCDs	INE626J07129	15 December 2015	8.91	1 February 2025	INR70	IND AAA(SO)/Stable	Affirmed
NCDs	INE626J07137	15 December 2015	8.91	1 August 2025	INR120	IND AAA(SO)/Stable	Affirmed
NCDs	INE626J07145	15 December 2015	8.91	1 February 2026	INR120	IND AAA(SO)/Stable	Affirmed
NCDs	INE626J07152	15 December 2015	8.91	1 August 2026	INR130	IND AAA(SO)/Stable	Affirmed
NCDs	INE626J07160	15 December 2015	8.91	1 February 2027	INR130	IND AAA(SO)/Stable	Affirmed

COMPLEXITY LEVEL OF INSTRUMENTS

For details on complexity level of the instruments please visit www.indiaratings.co.in/complexity-indicators.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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Applicable Criteria

[Rating Criteria for Infrastructure and Project Finance](#)

[Rating Criteria for Availability-Based Projects](#)

Analyst Names

[Primary Analyst](#)

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Namita Sharma

Manager – Corporate Communication

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November 12, 2019

To,
Mr. Shashin V. Patel
The Managing Director,
Nagpur-Seoni Express Way Limited,
Sadbhav House, Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad,
Gujarat- 380 006

Dear Sir,

Sub: Certificate of Debenture Trustee under Regulation 52(5) of SEBI (LODR) Regulations, 2015 for September 30, 2019.

In compliance of the requirements of Chapter V, Regulation 52, Sub – Regulation (4) and (5) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Non – Convertible Debt Securities we would like to state as under:

We, Vistra ITCL (India) Limited, are acting as a Debenture Trustee for the Secured, Rated, Listed, Redeemable, Non-Convertible Debenture issue aggregating to Rs.195 crores of Nagpur-Seoni Express Way Limited. ('Company')

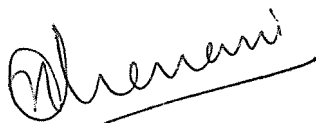
With reference to above, we have received the following documents from the Company and have noted its contents without verification:

1. Half Yearly disclosure under Regulation 52 (4) of SEBI (LODR) Regulations, 2015 dated November 11, 2019.
2. Statement of Unaudited Financial Results for the half year ended September 30, 2019 along with Limited Review Report.
3. Credit rating letter (CARE rating and India Rating and research) dated October 01, 2018 and November 20, 2018 respectively.

This certificate has been signed and issued by us based on documents (mentioned above) submitted by you.

Thanking You.

Yours sincerely,
For Vistra ITCL (India) Limited



Authorized Signatory

Place: Mumbai

STATEMENT OF UNAUDITED FINANCIAL RESULTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019

(INR in Million)

Sr. No.	Particulars	Half year ended		Year ended
		As at Sept 30, 2019 (Unaudited)	As at Sept 30, 2018 (Unaudited)	As at March 31, 2019 (Audited)
1	Revenue from operations	18.89	23.09	46.12
2	Other Income	99.43	64.92	167.84
3	Total income	118.32	88.01	213.96
4	Expenses			
	a. Operating Expenses	10.27	10.16	20.47
	b. Employee benefits expense	0.11	0.08	0.15
	c. Finance Costs	103.83	131.93	255.00
	d. Other expenses	6.00	9.85	34.19
5	Total Expenses	120.21	152.02	309.81
6	Profit/(Loss) before Exceptional items and tax (3-5)	(1.89)	(64.01)	(95.85)
7	Exceptional Items (Refer Note 4)	-	-	687.52
8	Profit/(Loss) before tax (6+7)	(1.89)	(64.01)	591.67
9	Tax Expense	-	-	109.09
10	Profit/ (Loss) for the period (8-9)	(1.89)	(64.01)	482.58
11	Other Comprehensive Income (net of tax)	-	-	-
	Items that will not be reclassified to Profit or Loss			
	Remeasurements of the defined benefit plans	-	-	-
	Less: Income tax relating to above Items	-	-	-
12	Total Comprehensive Income for the period (10+11)	(1.89)	(64.01)	482.58
13	Paid up Equity share Capital (face value of ₹10 each)	480.00	480.00	480.00
14	Paid up Debt Capital	1,526.50	1,676.50	1,604.00
15	Other Equity	-	-	(605.30)
16	Net Worth	(127.19)	(671.88)	(125.30)
17	Basic and diluted earnings per share (EPS) (Face value of INR 10/- each) (not annualised for the quarter)	(0.04)	(1.33)	10.05
18	Debenture Redemption Reserve	132.79	-	132.79
19	Debt Equity Ratio	2.55	2.80	2.68
20	Debt Service Coverage Ratio (Refer Note 6)	1.42	1.18	1.15
21	Interest Service Coverage Ratio (Refer Note 6)	2.01	1.34	1.33
22	Asset Coverage Ratio	1.21	1.01	1.24

23 The payment of Interest and repayment of principal of following non-convertible debt securities were due during the half year ended September 30, 2019

Particulars	Previous Due Dates		Next Due Dates	
	Principal	Interest	Principal	Interest
INE626J07012	01-08-2019	01-08-2019	01-02-2020	01-02-2020
INE626J07087	01-08-2019	01-08-2019	-	-
INE626J07095	-	01-08-2019	01-02-2020	01-02-2020
INE626J07103	-	01-08-2019	-	01-02-2020
INE626J07111	-	01-08-2019	-	01-02-2020
INE626J07129	-	01-08-2019	-	01-02-2020
INE626J07137	-	01-08-2019	-	01-02-2020
INE626J07145	-	01-08-2019	-	01-02-2020
INE626J07152	-	01-08-2019	-	01-02-2020
INE626J07160	-	01-08-2019	-	01-02-2020

Principal and Interest have been paid on due date.



NAGPUR SEONI EXPRESSWAY LIMITED

CIN : U45203GJ2007PLC049963

Statement of Assets and Liabilities

(INR in Millions)

Particulars	As at Sept 30, 2019	As at March 31, 2019
ASSETS		
(1) Non-current Assets		
(a) Property, Plant and Equipments	-	-
(b) Investment Property	4.82	4.82
(c) Financial Assets		
(i) Other financial assets	1,461.02	1,567.73
(d) Other Non Current Assets	15.52	14.24
Total Non-current Assets	1,481.36	1,586.80
(2) Current Assets		
(a) Financial Assets		
(i) Investments	164.49	216.02
(ii) Cash and cash equivalents	34.65	0.55
(iii) Other financial assets	435.80	447.16
(b) Other current assets	0.66	0.14
Total Current Assets	635.60	663.87
Total Assets	2,116.96	2,250.67
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	480.00	480.00
(b) Other Equity	(607.19)	(605.30)
Total Equity	(127.19)	(125.30)
LIABILITIES		
(1) Non-current Liabilities		
Financial Liabilities - Borrowings	1,356.43	1,447.83
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	616.65	663.03
(ii) Trade Payables		
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues to other creditors	4.91	4.47
(iii) Other financial liabilities	197.30	188.15
(b) Other current liabilities	0.60	1.16
(c) Current Tax Liabilities (Net)	68.26	71.33
Total Current Liabilities	887.72	928.14
Total Liabilities	2,244.15	2,375.98
Total Equity and Liabilities	2,116.96	2,250.67



NAGPUR SEONI EXPRESSWAY LIMITED

CIN : U45203GJ2007PLC049963

Nagpur Seoni Express Way Limited

CIN :: U45203GJ2007PLC049963

Cash Flow Statement for the half year period ended 30th September 2019

(INR In Million)

Particulars	September 30, 2019	March 31, 2019
(A) Cash flows from operating activities		
Profit/(Loss) Before Tax	(1.89)	591.68
Adjustments for:		
Notional Interest on NCD	0.11	0.22
Finance Costs	103.72	254.78
Excess provision written Back	(0.00)	(0.02)
Gain on sale of Units of Mutual fund Investments (net)	(7.16)	(10.82)
Cash generated before Effect of Working capital	94.77	835.84
Adjustments for:		
(Increase)/Decrease in Other Financial Assets	118.11	169.47
(Increase)/Decrease in current asset	(0.52)	(2.74)
(Decrease)/Increase in trade payables	0.44	(22.92)
(Decrease)/Increase in Other financial liabilities	0.01	(0.02)
(Decrease)/Increase in current liability	(0.55)	(0.26)
(Decrease)/Increase in Provisions	(3.08)	71.33
Cash generated from Operating Activity	209.18	1,050.72
(+)/(-) : Tax Paid(Net of Refund)	(1.28)	(109.09)
Net cash flow from operating activities	(A) 207.91	941.62
(B) Cash Flows from Investing activities		
Investment in Mutual Fund	(248.00)	(901.79)
Redemption of Mutual Fund	306.66	724.59
Excess provision written Back	0.00	0.02
Net cash from/ (used in) Investing activities	(B) 58.66	(177.18)
(C) Cash Flows from financing activities		
Repayment of borrowings	(77.50)	(146.00)
Proceeds from Short Term Borrowings	3.50	68.74
Repayment of short term borrowings	(49.89)	(234.38)
Interest and other Finance cost paid	(108.59)	(508.60)
Net cash used in financing activities	(C) (232.47)	(820.24)
Net Increase in cash and cash equivalents	(A+B+C) 34.10	(55.80)
Cash and cash equivalents at beginning of the Period	0.55	56.35
Cash and cash equivalents at end of the Period	34.65	0.55



Notes :

- 1 The company is a special Purpose Vehicle (SPV), incorporated for the purpose of development and maintenance of the lane from Km 596.750 to Km 653.225 on NH-7 in the state of Madhya Pradesh under North-South corridor on BOT (Annuity) basis. The company has entered into a Concession Agreement with National Highway Authority of India (NHAI) on May 30, 2007.
- 2 The aforesaid unaudited financial results, of the Company, for the six months ended September 30, 2019 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 11, 2019.
- 3 The listed non-convertible debentures of the Company aggregating INR 1526.50 million outstanding as on Sept 30, 2019 are secured by way of corporate guarantee by Sadbhav Infrastructure Project Limited (SIPL), the Parent Company, first ranking charge created on the entity's movable and immovable properties and asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- 4 As at 05th October, 2018, the Company received the award from the Arbitral Tribunal in which the semi annuity amount was increased from INR 191.98 million to INR 217.90 million from the initial date of annuity. Accordingly, the Company has received INR 440.64 million towards differential amount of annuity along with interest of INR 239.81 million on 29th January, 2019 from NHAI.
- 5 The company's non - convertible debentures are rated AAA (SO) by CARE Ratings Limited/India Ratings & Research.
- 6 While calculating Debt Service Coverage Ratio and Interest Coverage ratio the exceptional items are excluded to make them comparable with previous periods.
- 7 The company has accumulated losses of INR 858.27 Million (March 31, 2019: INR 856.37 Million) as at the September 30, 2019, which have resulted in erosion of the company's net worth, although Sadbhav Infrastructure Project Limited, the holding company, Sponsors of the Company's project, has invested INR 118.29 Million as subordinate debt which is part of the Project Equity Capital as per terms of the Rupee Facility Agreement (Loan Agreement). The Company has been able to meet its obligations in the ordinary course of the business complemented by the continuing financial support offered from Sadbhav Infrastructure Project Limited (the Holding Company). The Sponsors viz., Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited have also entered into undertaking to support the Company for cost overrun and shortfall in cash flow. Despite Negative net-worth, the management is confident of continuity of business and views the entity as going concern. Further the company has received an arbitral award from NHAI in which the Annuity amount has been increased from 191.98 million to 217.90 million.
- 8 Figures relating to the previous period have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current period.

For and on behalf of Board of Directors of
Nagpur Seoni Express Way Limited

Su Patel
Shashin Patel
Managing Director
DIN : 00048328

Place: Ahmedabad
Date: November 11, 2019



**Independent Auditor's Report Pursuant on Standalone Financial SEBI
(Listing Obligation and Disclosure requirements) Regulations, 2015**

To

The Board of Directors of
Nagpur Seoni Expressway Limited

1. We have audited the accompanying statement of financial results of **Nagpur Seoni Expressway Limited** (the 'Company'), for the half-year ended on 30th September, 2019 (the 'statement') being submitted by Company pursuant to the Regulation 52 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 read with SEBI circular no. CIR/IMD/DF1/9/2015 dated November 27, 2015 as amended and SEBI Circular No. CIR/IMD/DF1/69/2016 dated 10th August, 2016. This statement which is the responsibility of company's management and have been approved by the Board of Directors of the Company is prepared in accordance with Accounting Standards specified under section 133 of the Act, read with Rule 4 of Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Page 1 of 2

3. In our opinion and to the best of our information and according to the explanations given to us these half-yearly financial results:

- a. are presented in accordance with requirements of regulation 52 of SEBI (Listing Obligations & Disclosure Requirements), 2015 read with SEBI Circular No. CIR/IMD/DF1/9/2015 dated November 27, 2015 and SEBI Circular No. CIR/IMD/DF1/69/2016 dated 10th August, 2016.
- b. give a true and fair view of the net loss and other financial information of the Company for the half-year ended on September 30, 2019 and other financial information for the year ended on September 30 2019.

Place: New Delhi
Date: 11/11/2019

For Gianender & Associates
Chartered Accountants

Firm Reg. No. 04661N



(G.K. Agrawal)

Partner

Membership number: 081603

UDIN: 19081603AAAAOV5870