

Ref: NSEL/2019-20/0008

24th May, 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 31st March, 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 31st March, 2019.

You are requested to take the same on record.

Thanking You

Yours faithfully,

FOR, NAGPUR - SEONI EXPRESSWAY LIMITED


POOJA SHAH
COMPANY SECRETARY
MEMBERSHIP NO. A56635
Encl: a.a



Ref: NSEL/2019-20/0009

24th May, 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 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 31st March, 2019:

Sl. No.	Particulars	Disclosures
1.	Credit Rating of the Debentures	CARE AAA (SO) – CARE Ratings IND AAA (SO)-India Rating & Research (Attached as Annexure-1)
2.	Asset Cover available	1.24
3.	Debt-Equity Ratio	2.68
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 01/02/2019 and the same has been paid on 01/02/2019.
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 01/08/2019.
6.	Next due date for the payment of Principal and the amount	Next due date for the payment of Principal is 01/08/2019 and amount: Rs. 7.75 Crores
7.	Next due date for the payment of Interest and the amount	Next due date for the payment of Principal is 01/08/2019 and amount: Rs. 7.00 Crores
8.	Debt service coverage ratio	1.09




NAGPUR SEONI EXPRESSWAY LIMITED
CIN: U45203GJ2007PLC049963

9.	Interest Service converge ratio	1.33
10.	Debenture redemption reserve	Rs. 132.79 Milli on
11.	Net worth	Rs. (125.30) Million
12.	Net profit after tax	Rs. 546.60 Million
13.	Earnings per share	Rs. 11.39

Thanking You,

Yours faithfully,

FOR, NAGPUR - SEONI EXPRESSWAY LIMITED


POOJA SHAH
COMPANY SECRETARY
MEMBERSHIP NO. A56635



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

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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.

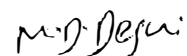
Thanking you


Palak Vyas

Manager

palak.gandhi@careratings.com

Yours faithfully,



Maulesh Desai

Associate Director

maulesh.desai@careratings.com

Encl.: As above

Disclaimer

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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 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

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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

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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.

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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)

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

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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.
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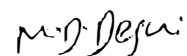
Thanking you


Palak Vyas

Manager

palak.gandhi@careratings.com

Yours faithfully,



Maulesh Desai

Associate Director

maulesh.desai@careratings.com

Encl.: As above

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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

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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

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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.

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****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

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.

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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)

May 24, 2019

To,
Mr. Nitin Patel
The Director,
Nagpur-Seoni Expressway 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 March 31, 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 Expressway Limited. ('Company')

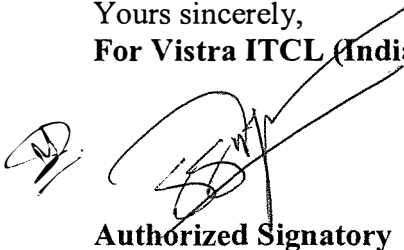
With reference to above, we have received the following documents from the Company and have noted its contents without verification:

1. Half Yearly disclosure under Regulation 52 (4) of SEBI (LODR) Regulations, 2015 dated May 24, 2019.
2. Statement of Audited Financial Results for the year ended March 31, 2019 along with Auditor's Review Report dated May 24, 2019.
3. Credit rating letter (CARE rating) dated October 01, 2018.

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