

BWR/NCD/HO/ERC/AP/0795/2017-18
March 07, 2018

Sri. U.A.Vasanth Rao,
Chief Public Relations Officer,
Bangalore Metro Rail Corporation Limited
3rd Floor, BMTC Complex, K.H. Road,
Shanthinagar, Bangalore – 560 027

Dear Sir,

Sub: Rating Review of **Bangalore Metro Rail Corporation Ltd's** NCD issues amounting to ₹ 800.00 Crores [₹ 300.00 Crores + ₹ 500.00 Crores] with a tenor up to 10 years

On review of Bangalore Metro Rail Corporation Ltd performance based on the information and clarifications provided by your Company as well as information available in the public sources, we are pleased to inform you that the Brickwork Ratings (BWR) has reaffirmed the rating of the Bangalore Metro Rail Corporation Ltd NCD issues amounting to ₹ 800.00 Crores as follows:

Instrument	Amount Rs.Cr	Amount Rs.Cr	Tenor	Previous Rating (Mar 2017)	Rating* (Mar 2018)
Namma Metro Bond Series I	300	300	Long Term	BWR AA (Pronounced BWR)	BWR AA (Pronounced BWR)
Proposed bonds	500	500	Long Term	Double A) (Outlook: Stable)	Double A) (Outlook: Stable) Reaffirmed
Total	800	800	INR Eight Hundred Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

The Rating is valid for a period of one year from this letter or till the maturity of the instrument, whichever is earlier, and is subject to terms and conditions that were agreed in your mandate dated 08 February 2017, BWR letter BWR/NCD/HO/ERC/AP/0653/2016-17 dated february 27, 2017 and other correspondence, if any and Brickwork Ratings' standard disclaimer appended below. Brickwork would conduct surveillance periodically. Please note that Brickwork Ratings would need to be kept informed of any significant information/ development that may affect your Company's finances/ performance without any delay.

Please acknowledge.

Best Regards,



AP Kamath
GM-Ratings

Note: Rating Rationale of all valid Ratings is published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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Brickwork Ratings India Pvt. Ltd.

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February 6, 2018

Kind Attn: Sri. U.A.Vasanth Rao, Chief Public Relations Officer

Dear Sir,

Re: Bangalore Metro Rail Corporation Limited's (BMRCL) INR3bn Secured, Non-Convertible and Taxable Bond and Proposed INR5bn Secured, Non-Convertible and Taxable Bond

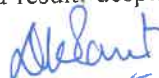
India Ratings and Research (Ind-Ra) has affirmed Bangalore Metro Rail Corporation Limited's (BMRCL) Long-Term Issuer Rating at 'IND AA'. The Outlook is Stable. The instrument-wise rating actions are given below:

Instrument Type	ISIN	Size of Issue (million)	Rating/Outlook	Rating Action
Bonds	INE928P07019	INR3,000	IND AA/Stable	Affirmed
Proposed bonds	-	INR5,000	Provisional IND AA/Stable	Affirmed

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings



can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "**India Ratings**" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at +91 22 4000 1700.

Sincerely,

India Ratings



Devendra Kumar Pant
Senior Director



Sunil Kumar Sinha
Director

Annexure 1: Bond Issue Details

Particulars	
Instrument	Secured, redeemable and non-convertible
Size of the issue	INR3bn
Tenor	10 Years
Coupon	8.79%
Frequency	Payable semi annually
Put/Call option	Nil
Redemption	Bullet at the end of 10th Year
Payment Mechanism	<p>BMRCL shall provide GoK the projected cash support required for each quarter along with the due date 45 calendar days prior to 1st April of each year.</p> <p>GoK will fund the shortfall, in the SCS account with the required cash support as per the projected cash support 60 days before the required due date. On receipt of the funds into the SCS account BMRCL on the same day will transfer the fund to the TRA and on the same day will transfer the required funds in the sub-account.</p> <p>In the event of BMRCL's inability to meet its obligations to the senior term lenders and to the bond holders, necessary funds shall be provided by GoK to service the senior term lenders and the bond holders as per the payment structure mechanism as given below:</p> <ol style="list-style-type: none"> 1. BMRCL along with the trustees under the TRA would be required to monitor the balance in the TRA. At least 60 days (T-60) prior to the due date of each debt servicing, the trustee would inform in writing to the designated official in BMRCL, marking a copy to the designated official in GoK: <ul style="list-style-type: none"> • The due date of payment to the various senior term lenders and the bond holders, and • The respective amount to be paid (interest and/ or principal) 2. BMRCL shall ensure that 30 days (T-30) prior to every due date for payment of interest/ principal installment, adequate funds are available in the TRA for meeting the forthcoming interest and/or principal obligation of all lenders. BMRCL would move the required funds from the SCS Account to TRA account and BMRCL on the same day will transfer the required fund to the sub-account. 3. In the event of any shortfall in the TRA account, the trustees would make a demand for funds equivalent to the shortfall (shortfall amount) in writing to the BMRCL at-least 25 days (T-25) prior to the due date to ensure that GoK transfers funds to the SCS account to make up for any shortfall. 4. Within 5 business days after receiving the intimation from trustee BMRCL would inform in writing to the designated official in GoK: <ul style="list-style-type: none"> • The due date of payment, and • The amount to be paid equivalent to the shortfall (Shortfall Amount) 5. GoK shall without any demur fund the SCS account with the shortfall amount within 5 business days after the intimation from BMRCL. On receipt of the funds into the SCS account BMRCL on the same day will transfer the fund to the TRA and on the same day will transfer the required funds in the sub-account. 6. The payment of interest and/or principal shall be made to the investors on the due date for payment.

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