

February 23, 2010

**CARE ASSIGNS 'BBB' RATING TO THE BANK FACILITIES OF
PINK CITY EXPRESSWAY PVT. LTD.**

CARE has assigned a '**CARE BBB**' [Triple B] rating to the Long-term Bank Loan facilities of Pink City Expressway Pvt. Ltd. (PCEPL). This rating is applicable to facilities having a tenure of more than one year. Facilities with this rating are considered to offer moderate safety for timely servicing of debt obligations. Such facilities carry moderate credit risk. The rating is assigned to long term bank loans and non fund based facilities aggregating Rs.2025.19 crore.

Instrument	Amount (Rs. crore)	Rating
Long-term Bank Facilities	2025.19	' CARE BBB '
Total	2025.19	

Rating Rationale

The rating derives comfort from financial strength and experience of sponsors in Build, Operate & Transfer (BOT) project execution, strategic location of the stretch, achievement of financial closure, sponsor's commitment towards project in the form of an undertaking to fund cost overrun and shortfalls in equity contribution. The rating also factors in the collection from existing toll plazas, creation of Debt Service Reserve Account (DSRA) and fixed-price nature of the Engineering, Procurement and Construction (EPC) contract. The rating is, however, constrained by project completion risk, moderate gearing levels, and risk related to Operation & Maintenance (O&M) and inherent toll-based nature of BOT projects with associated traffic risks. Further, ability to sustain growth amidst competing toll roads and alternative transport routes and timely completion of project would be the key rating sensitivity.

Company Profile

PCEPL is a Special Purpose Vehicle (SPV) floated by a 51:49 consortium of ETA Group of Dubai and KMC Group of Hyderabad to undertake the improvement, operation and maintenance including strengthening and widening of the existing 4-lane road to 6-lane highway from 42.7 km to 273 km (length 225.6 km) on NH-8 (Gurgaon-Kotputli-Jaipur Section) on BOT basis. The project is toll-based and was awarded by National Highways Authority of India (NHAI) to the consortium on a competitive bidding process, wherein the consortium quoted the highest revenue share. The total project cost is estimated to be Rs.3009.01 crore and is proposed to be financed through a debt-equity mix of 1.71:1.

The project is on existing Delhi-Mumbai section of NH- 8 that passes through 2 states connecting Haryana & Rajasthan traversing through towns and industrial hubs in Haryana and Rajasthan. The Fixed Price EPC contract was awarded to KMC Constructions Private Ltd. & ETA Star Infrastructure Ltd. Of the total land required for construction, about 85% including the existing Right of Way (RoW) has been made available to PCEPL and construction has commenced in parts wherever the land has been acquired.

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CARE 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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