

March 21, 2011

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF  
PINK CITY EXPRESSWAY PVT LTD.**

**Rating Assigned**

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	2025.19	'CARE BBB' (Triple B)	Reaffirmed
<b>Total Facilities</b>	<b>2025.19</b>		

**Rating Rationale**

The rating continues to reflect the strategic location of the stretch, sponsors' commitment towards project to fund any cost overruns and shortfalls in equity contribution, fixed-time fixed-price Engineering, Procurement and Construction (EPC) contracts and significant financial and physical progress achieved on the project. The rating is however constrained by residual project implementation risk, especially in the light of delay in project completion primarily due to land acquisition issues and the toll-based nature of the project which is prone to risks related to sustainability of traffic and toll collections over a long tenure. Any time/cost overrun in project completion, which may adversely affect the financial profile, along with ability to sustain traffic growth remains the key rating sensitivity.

**Company Profile**

PCEPL is a Special Purpose Vehicle (SPV) floated by ETA Group of Dubai and KMC Group of Hyderabad to undertake the improvement, operation and maintenance including strengthening and widening of the existing four-lane road to six-lane highway from 42.7 km to 273 km (length 225.6 km) of NH-8 (Gurgaon-Kotputli-Jaipur Section) in the states of Haryana and Rajasthan on Build-Operate-Transfer (BOT) toll basis.

The total project cost of Rs.3009 crore is being financed through term debt of Rs.1900.19 crore, internal accrual out of existing toll plaza aggregating to Rs.396.28 crore and the balance by way of equity aggregating Rs.712.54 crore.

As on December 31, 2010, PCEPL has incurred a total expenditure of Rs.1084.03 crore (excluding National Highways Authority of India (NHAI) share of revenues) funded by promoters contribution aggregating Rs.253.13 crore, debt aggregating Rs.575.45 crore and internal accruals from toll collection aggregating Rs.242.50 crore.

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<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

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