

July 20, 2010

**CARE REVISES THE RATING ASSIGNED TO THE BANK FACILITIES OF
AWA POWER COMPANY PVT. LTD.****Rating Assigned**

Facility	Amount (Rs. crore)	Rating	Remarks
Long-term bank facilities (term loan)	18.5	'CARE D' (Single D)	Revised from CARE BB+ (Double B Plus)
Total	18.5		

Rating Rationale

The revision in rating takes into account delay in payment of interest and repaying of installment of a term loan.

Company Profile

AWA Power Company Pvt. Ltd. (AWA) setup in 2001 is a special purpose vehicle (SPV) promoted by Sethi family along with group companies – Subhash Projects and Marketing Limited (SPML) and Subhash Kabini Power Corp. Ltd. (SKPCL). SPML and SKPCL had an equity stake of 51% and 41% respectively at the end of March 2010.

Status of Project

The company is setting up a 4.5 MW(3 x 1.5 MW) hydro-power project on the river Awa Khad, at Saperu village, Kangra district, Himachal Pradesh, under a 40 year concession period on BOOT (Build, Own, Operate & Transfer) basis.

The project, which was expected to be operational from June 2010, has been delayed and is now expected to be operational from September 2010. The project got delayed due to deviations in evacuation plans and other construction works due to land acquisition problems, additional protection works for preventing landslides on power channel, approach roads etc. and laying of irrigation troughs which was not envisaged earlier.

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