

September 14, 2010

**CARE ASSIGNS 'CARE BBB' RATING TO BANK FACILITIES OF
IND-BARATH ENERGY (UTKAL) LTD.****Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	2714.65	'CARE BBB' (Triple B minus)	Assigned
Total Facilities	2714.65		

Rating Rationale

The rating takes into account experience of the promoter company in setting up of power projects, complete land acquisition, long term Power Purchase Agreement (PPA) with PTC & GRIDCO, equity commitment of PTC through its investment company, promoter's infusion of considerable portion of the total equity requirement, fixed time & fixed price BTG & BOP contract, financial closure achieved for the project, majority of approvals in place and government support for the power sector. The rating is however constrained by, general risk associated with implementation of project, and relatively larger size of the project in relation to the projects already implemented. The ability of the company to execute a formal fuel supply agreement in future thereby ensuring firm raw material linkage for the project, and complete the project without any cost and time overrun are the key rating sensitivities.

Company Profile

Ind-Barath Energy (Utkal) Limited (IBEUL) is a subsidiary of Ind-Barath Power and Infrastructure Ltd (IBPIL), the flagship company of the Ind-Barath group. The company is in process of setting up a 700 MW (2*350 MW), coal based thermal

power project at Sahajbahal, Jharsuguda District of Orissa. The cost of the project is estimated at Rs. 3185 crore and is proposed to be funded by Debt: Rs. 2389 Crore (financial closure achieved) and equity Rs. 796 Crore (Rs.429.33 Crore already invested as on July 31, 2010). IBEUL has received Letter of Assurance (LOA) from MCL for 3.07 mtpa out of the total requirement of 3.70 mtpa and the balance is proposed to be procured through from open market/E-auction. The company has executed Power

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



Press Release

Purchase Agreement (PPA) with Power Trading Corporation (PTC) (400 MW-25 years & 160 MW-on merchant basis) and GRID Corporation of Orissa (GRIDCO) (84 MW for 25 years) .The company has executed a fixed term and fixed price Boiler Turbine Generator (BTG) contract with Cethar Vessels Ltd (CVL) and Balance of Plant (BOP) contract with Punj Lloyd Limited (PLL). The Phase-I of the plant is expected to start generation by January 2012.

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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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