

June 2, 2010

**CARE PLACES THE RATINGS OF
PANTALOON RETAIL INDIA LTD (PRIL) UNDER 'CREDIT WATCH'**

CARE has placed the '**CARE A-** [**Single A Minus**]' rating assigned to the Long-term Non-Convertible Debenture (NCD) aggregating to Rs.250 crore and the '**PR1+**' [**PR One Plus**] rating assigned to Commercial Paper (CP) (Carved out of working capital limits) aggregating to Rs.200 crore of Pantaloon Retail India Ltd (PRIL) under 'credit watch' with developing implications.

The ratings have been placed under 'credit watch' in view of the developing implications arising out of merger of the Home Solution Retail (India) Ltd. (HSRIL), a 66.86% subsidiary of PRIL. CARE is in the process of evaluating the impact of the same on the credit quality of PRIL and has sought necessary information/clarification from the company. CARE will take a view on the ratings once the implications of the above arrangement on the overall credit profile of PRIL are clear.

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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.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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