

November 26, 2014

Punj Lloyd Limited (PLL): CARE revises rating for Non-Convertible Debenture issue Rs 300 crores and Rs 150 crores from ‘CARE BBB+ (Triple B Plus) to ‘CARE BB (Double B)’

Credit Analysis & Research Limited (“CARE”) has revised its rating on the Non-Convertible Debenture issue Rs 300 crores and Rs 150 crores of Punj Lloyd Limited from ‘CARE BBB+ (Triple B Plus)’ to ‘CARE BB (Double B).’

The revision in the rating assigned to the Non-Convertible Debentures (NCDs) of PLL takes into account the deterioration in the financial risk profile marked by significant net loss incurred in FY14 (refers to the period April 1 to March 31) on consolidated basis and in Q1FY15 (on standalone basis) due to loss incurred in few of the projects and increased interest cost, increased debt levels leading to high overall gearing ratio and weak coverage indicators. The ratings also factor in the high working capital intensity of operations and stressed liquidity position.

The ratings, however, continue to derive comfort from the experienced management, established track record of operations of PLL in the construction industry and moderate order book position.

IDBI Trusteeship Services Limited

Authorised Signatory