

June 18, 2010

CARE ASSIGNS 'CARE BB+' RATING TO THE BANK FACILITIES OF CANTON BUILDWELL PVT LTD.**Ratings Assigned**

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Fund-based Long-term Bank Facilities	450.00	'CARE BB+' (Double B Plus)	Assigned
Non-fund Based Long-term Bank Facilities	3.60	'CARE BB+' (Double B Plus)	Assigned
Total Facilities	453.60		

Rating Rationale

The rating is constrained by risk associated with the residual project implementation, pending equity tie-ups, reliance on internal accruals for project funding, weak demand scenario in commercial segment of the real estate industry and regulatory risks associated with SEZs and the real estate sector.

The rating takes comfort from the promoter's experience, demonstrated relationship with existing customers, lease agreement with Tata Consultancy Services (TCS) for around 3.5 lac sq ft of space under development and tie-up of debt component for the project.

Going forward, timely and effective execution of project within the estimated cost and timely achievement of the envisaged leases of commercial and residential space at envisaged rates shall be the key rating sensitivities.

Company Profile

Canton Buildwell Private Limited (Canton) is a Special Purpose Vehicle (SPV) promoted by ASF Buildtech Private Limited (ASF) for the development of an IT/ITeS sector specific SEZ in Gurgaon. ASF hold 73% stake in the SPV and the balance 27% is held by JP Morgan India Property Company II (JP Morgan) as a private equity investor.

ASF, a part of ASF group, was incorporated in 2007 and is mainly engaged in the development and leasing of commercial properties, mainly catering to IT/ITeS sector. It has experience of developing around 6.9 lac sq. ft. of built-up space.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Canton plans to develop an IT/ITeS sector specific SEZ over 70 acres of land in the village Gwal Pahari in Gurgaon on the Gurgaon-Faridabad road in two phases. In the first phase, it is developing an area of around 23.5 lac sq ft on 25.11 acres of land. The first phase is planned to be completed by December 2012. Project cost is projected at Rs.782 crore which is planned to be financed through promoters' contribution of Rs.225 crore, term loan of Rs.450 crore and internal accruals of Rs.107 crore. As on December 31, 2009, the promoters have brought in Rs.121 crore as equity and Rs.30 crore have been availed as term loan.

Analyst Contact

Name: Kapil Sachdeva

Tel # 011-23716199

Mob# 9811404510

Email: kapil.sachdeva@careratings.com

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.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's PlaceNo. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 91766 47599 E-mail : ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat NagarHyderabad - 500 029 Tel – 040 _40102030 Mobile – 91600 04563 E-mail: rahul.patni@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>