

June 7, 2010

CARE ASSIGNS 'CARE BBB-' AND 'PR3' TO THE BANK FACILITIES OF COIMBATORE INTEGRATED WASTE MANAGEMENT CO. PVT. LTD.

CARE has assigned a '**CARE BBB-**' [**Triple B Minus**] rating to the Long-term Bank Facilities of Coimbatore Integrated Waste Management Co. Pvt. Ltd. (CIWMCPL). This rating is applicable to facilities having tenure of more than one year. Facilities with this rating are considered to offer moderate safety for timely servicing of debt obligations. Such facilities carry moderate credit risk

Also, CARE has assigned a '**PR3**' [**PR Three**] rating to the Short-term Bank Facilities of CIWMCPL. This rating is applicable for facilities having tenure up to one year. Facilities with this rating would have moderate capacity for timely repayment of short-term debt obligations at the time of rating and carry higher credit risk as compared to facilities rated higher. CARE assigns '+' or '-' signs to be shown after the assigned rating (wherever necessary) to indicate the relative position within the band covered by the rating symbol.

Instrument	Amount (Rs. crore)	Rating
Long-term Bank Facilities (Term Loan and CC)	27.44	' BBB- '
Short-term Bank Facilities (LC and BG)	10.50	' PR3 '
Total	37.94	

Rating Rationale

The ratings gain strength from the promoters' relevant experience in operations & maintenance of similar facilities and achieving of financial closure for the project under Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The ratings are also strengthened by government participation in the form of grant under JNNURM scheme. The ratings are, however, constrained by project implementation risk, revenue concentration risk, along with moderate credit risk profile of Coimbatore Municipal Corporation (CMC) and the expected high debt-equity and overall gearing ratio due to expected operating losses in the initial years.

Ability of CIWMCPL to commence the project within the stipulated time frame, timely disbursement of balance grant by the Government and successful operation & maintenance would be the key rating sensitivities.

Company profile

Coimbatore Integrated Waste Management Co. Pvt. Ltd. (CIWMCPL) is a Special Purpose Vehicle (SPV) incorporated on January 16, 2008 to undertake a waste management project in Coimbatore. The SPV is promoted by United Phosphorus Limited and Baruch Environmental Infrastructure Ltd (UPL-BEIL). UPL is a leading global producer of agrochemicals while BEIL is a subsidiary of M/s Tatva Global Environment Ltd., which undertakes environmental projects through its subsidiaries and SPVs. The consortium has been awarded comprehensive waste management project by CMC in the state of Tamilnadu for a concession period of 20 years on Build, Operate, Own and Transfer (BOOT) basis.

The project has been approved under JNNURM scheme of the Government of India and is eligible for Grants aggregating to 70% of the approved project cost. The final cost of the project is estimated to be Rs.86.47 crore and CIWMCPL is entitled to receive a grant amounting to Rs.48.25 crore while the balance is to be financed at debt-equity of 1.77:1. The debt for the term loan has already been tied up.

As on June 30, 2009, CIWMCPL had incurred total expenditure of Rs.66.22 crore, financed through equity contribution of Rs.13.13 crore, term loan of Rs.22.72, Government grant of Rs.22.15 crore and balance through creditors and accomplished physical progress of around 75%. The balance cost is mostly to be incurred by the government grant to be given by CMC. The company expects to commence operations by the end of October 2009 subject to timely payment of grant by competent authority.

Analyst Contact

Name: Ms. Aarti Mhatre

Tel # 022 6754 3440

Email: aarti.dogra@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>