

May 5, 2010

**CARE UPGRADES RATING OF BANK FACILITY
KALIKA BUILDCON PVT.LTD.**

CARE has revised the rating of long-term loans of Kalika Buildcon Private Limited from '**CARE BB' (Double B)** to '**CARE BB+' (Double B Plus)**.

Facilities with 'Double B 'rating is considered to offer inadequate safety for timely servicing of debt obligations. Such facilities carry high credit risk. This rating is applicable to facilities having tenure of more than one year.

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	1.08	'CARE BB+'
Total	1.08	

Rating Rationale

The revision in the rating takes into account significant progress of the ongoing project along with receipt of healthy member booking. Nevertheless, rating is constrained by lack of clarity on future growth prospects of the company considering small size of operations.

The Rating continue to be constrained by inherent risk associated with the real estate industry and low net worth base, which restricts overall financial flexibility. These outweigh promoter's experience in the industry with execution of many projects in Ahmedabad without availing bank finance and presence of project site in the prime location of Ahmedabad city.

Company Background

KBPL is Ahmedabad based company promoted by Shri Amrish R. Patel. It commenced business during 1997 to implement a real estate project. Kalika Group had executed various mid-sized projects under residential, commercial and hybrid segment of real estate in Ahmedabad. The proposed project called "3rd Eye Two" is located facing C.G.Road, which is considered as the business centre of Ahmedabad city.

Original scope of project was enhanced to Rs.30.76 crore from Rs.18.30 crore as the company has purchased adjoining land in the captioned project for Rs.9.03 crore. KBPL has received Rs.17.03 crore in form of member booking as on Dec.31, 2009. This is the only project in hand and is mostly completed.

During FY09, KBPL has achieved total income of Rs.0.48 crore and PAT of Rs.0.19 crore against total income of Rs.3.50 crore and PAT of Rs.0.19 crore during FY08.

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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

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