

September 24, 2010

CARE ASSIGNS 'CARE D' AND 'PR5' RATING TO THE BANK FACILITIES OF TA INFRA PROJECTS P. LTD.**Rating Assigned**

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	134.25	'CARE D' (Single D)	Assigned
Long-term/Short-term Bank Facilities	6.75	'CARE D/PR5' (Single D/PR Five)	Assigned
Short-term Bank Facilities	19.00	'PR5' (PR Five)	Assigned
Total Facilities	160.00		

Rating Rationale

The ratings take into account the strain on the liquidity position of TA Infra Projects P. Ltd. (TAIPL) and consequent delays in servicing of debt obligations.

Company Profile

Incorporated as a public limited company in January 1997, TAIPL is a small-sized construction company with major focus in providing construction services in the field of water supply, sewerage, irrigation & telecom projects on turnkey basis. Besides, it has backward integration facility for production of pipes (which are backed by construction contracts). As on August 01, 2010, TAIPL had an order book position of Rs.500 crore.

TAIPL earned a PAT (after deferred tax) of Rs.8.6 crore (provisional) (against Rs.5.5 crore in FY09) on total income of Rs.180.3 crore (provisional) (against Rs.170.7 crore in FY09) in FY10. While the gearing ratios are satisfactory, the company has been facing strain on liquidity front due to stretched collection period leading to irregularity in debt servicing.

Analyst Contact

Name: Rahul Patni/Puja Jalan

Tel # 040-40102030

Mobile # 9160004563

Email: rahul.patni@careratings.com

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¹Complete definition(s) of the rating(s) assigned are available at www.careratings.com and in other CARE publications.

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 Praladnagar 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 Place No. 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. Pradeep Kumar 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 – 98407 54521 E-mail :Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@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>