

June 2, 2010

**CARE REAFFIRMS RATINGS ASSIGNED TO BANK FACILITIES OF
THEIS PRECISION STEEL INDIA PVT. LTD.**

CARE has retained a '**CARE BBB+**' (**Triple B plus**) rating to the existing long-term bank loans/facilities of Theis Precision Steel India Pvt. Ltd. (TPS). This rating is applicable to facilities having tenure of more than one year. Facilities with this rating are considered to moderate safety for timely servicing of debt obligations. Such facilities carry moderate credit risk. Also, CARE has retained a '**PR 2**' (**PR Two**) rating to the existing short-term bank facilities of TPS. This rating is applicable to facilities having tenure of up to one year. Facilities with this rating would have adequate capacity for timely payment of short-term debt obligations 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.

Sr. No.	Facility	Amount (Rs. Cr)	Rating	Remarks
1	Long-term loans / facilities	15.00	'CARE BBB+'	Retained
2	Short-term loans / facilities	13.00	'PR 2'	Retained
	Total	28.00		

Rating Rationale

The ratings continue to factor in TPISPL's established track record in the cold rolling business and its comfortable financial profile as indicated by very low gearing level and comfortable liquidity position. The ratings, are however, constrained due to loss for the second year in a row during FY09 due to sharp fluctuation in raw material prices and slowdown in demand from end use industry.

Company's ability to move up in the value chain by introduction of new products in the precision steel segment, increasing its presence in export markets and improvement in the overall financial profile are the key rating sensitivities.

Company Profile

TPS was incorporated in 2007 by Friedr. Gustav Theis Kalwalzwerke GmbH (FGTKG) to acquire *CRM Sisodara unit* of Tata Steel Ltd., on a going concern basis which was in operations since 1967, manufacturing cold rolled strips of various grades and solid steel sections of various shapes in mild steel, medium carbon and high carbon steel.

TPS belongs to "Theis Group" of Germany, which is engaged in cold rolling and hardening and tempering of high carbon and alloy steel strips. The group has its manufacturing plants in USA and Europe. TPS is a wholly-owned subsidiary of FGTKG.

During FY09, the company reported net sales of Rs.126.04 crore (FY08: Rs.130.90 crore) and loss of Rs.1.35 crore (FY08: loss of Rs.2.62 crore).

Analyst Contact

Name: Mitul Budhbhatti

Tel # 079-40265609

Mobile # +91 97250 40966

Email: mitul.budhbhatti@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 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.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 Nagar Hyderabad - 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>