

September 2, 2010

CARE ASSIGNS 'CARE BB+' AND 'PR 4' RATING TO BANK FACILITIES OF TOTEM INFRASTRUCTURE LTD.**Ratings Assigned**

Facilities/Instruments	Amount (Rs. Crore)	Ratings ¹	Remarks
Long-term Bank Facilities	285	'CARE BB+' (Double B plus)	Assigned
Long/Short-term Bank Facilities	520	'CARE BB+' (Double B plus)/ 'PR 4' (PR Four)	Assigned
Total Facilities	805		

Rating Rationale

The rating factors in liquidity strain faced by TIL from higher growth in the turnover, limited track record of operations when compared to other larger and established players in the construction industry, high gearing levels, and significant concentration of the order book in respect of a few projects. The rating derives strength from experienced promoters and professional management, experience of the company in execution of infrastructure projects, healthy order book position, favorable industry scenario and steps taken by the company to diversify into new areas. The ability of the company to manage future growth without further deterioration in its financial risk profile is the key rating sensitivities.

Company Profile

Incorporated in 1997 Totem Infrastructure Ltd. (TIL) is a civil engineering and Construction Company promoted by Mr.Salalith Tottempudi, currently Managing Director. The company is engaged in construction of national highways, irrigation projects, land development and industrial infrastructure projects. As on December 1, 2009, the order book of TIL was at Rs.1127 crore.

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

On a total income of Rs.295 crore, TIL earned a PAT of Rs.13 crore in FY09. The company achieved a total income of Rs.546 crore with PAT of Rs.21 crore in FY10(Prov).

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CARE has 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.

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