

June 3, 2010

**CARE REAFFIRMS THE RATING TO THE LONG-TERM BANK FACILITIES OF
TOWER VISION INDIA PRIVATE LIMITED****Ratings Assigned**

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities (Term-loan)	833.00	'CARE BBB-' (Triple B Minus)	Reaffirmed
Total Facilities	833.00		

Rating Rationale

The rating continues to take into account the demonstrated promoter support in the form of management and capital assistance, long-term sales agreements of Tower Vision India Pvt Ltd (TIPL) with all major cellular operators, timely execution of the Phase-II of the expansion plan and the preparedness level of the company for the fresh capital expenditure on the anvil. However, the rating is constrained by the expected increase in financial leveraging attributable to the fresh capital expenditure and its ensuing project risks and highly competitive business environment. Going forward, ability to deliver its business commitments, increase its tenancy ratios² in accordance with its business plans and maintain a comfortable capital structure shall be the key rating sensitivities.

Company Profile

Tower Vision India Pvt. Ltd (TIPL) was incorporated on January 27, 2006 as an independent tower management company engaged in providing passive infrastructure to the wireless telecommunications industry in India. The company is promoted by Israel-based Fore Group (a private holding and investment group) and other private overseas investors.

TIPL develops passive infrastructure on Build Own & Operate (BOO) basis and leases them to the cellular operators on multi-sharing basis under long-term, usually 10-15 year, contracts. As on January 31, 2010, TIPL has a portfolio of 4,483 operational towers with another 175 under construction.

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

² Tenancy ratio denotes the average number of tenants (service providers) on a tower

For the year ended December 31, 2008, TIPL posted income of Rs.57.42 cr with PBILD and net loss of Rs.6.97 cr and Rs.12.24 cr, respectively. During CY09 (provisional), TIPL posted income of about Rs.126.97 cr with net loss of Rs.101.04 cr.

Analyst Contact

Name: Kapil Sachdeva

Tel # 011-23716199

Email: kapil.sachdeva@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.

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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>