

June 1, 2010

**CARE REAFFIRMS RATINGS ASSIGNED TO THE BANK FACILITIES OF
UNIT CONSTRUCTION COMPANY PVT LTD.**

Ratings Assigned

Facilities	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	65.41 (reduced from.65.84)	'CARE BBB' (Triple B)	Reaffirmed
Long-term/Short-term Bank Facilities	11.95	'PR3' (PR Three)	Reaffirmed
Total	77.36		

Rating Rationale

The aforesaid ratings continue to draw strength from considerable experience of the promoters, satisfactory project execution track record, healthy order book position, satisfactory client portfolio, moderate financial position and increased thrust on infrastructure related activities by Government of India. The ratings are however, constrained by the relatively small size of the company despite long track record, low profitability, working capital intensive nature of business leading to high overall gearing ratio, low level of investment in machinery & equipment, high average collection period, volatile input prices and entry of large number of unorganised players intensifying competition in the industry. Steady flow of orders and timely execution of the same, ability to procure high value projects and diversify into infrastructure related contracts fetching higher margin, containing operating cost and regular receipt of contract proceeds are the key rating sensitivities.

Company Profile

UCCPL, incorporated in 1948, is a small sized Kolkata based construction company engaged in providing construction services in the real estate (commercial/residential) and industrial sectors. UCCPL has, over the years, completed a good number of small sized and few medium sized projects. UCCPL has moderate level of financials, over the years. On a total income of Rs.69.6 crore, UCCPL earned a PAT (after defd. tax) of Rs.1.5 crore in FY09.

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

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.

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