



**Confidential**

Ref: ICRA/HYD/BSTL/2010-11/1005

May 11, 2010

**Mr. Rajesh Agarwal**  
**Managing Director**  
**BS Transcomm Limited**  
504, Trendset Towers  
Road No. 2, Banjara Hills  
Hyderabad - 500034

Dear Sir,

**Re: ICRA Grading of Initial Public Offer of 76,79,410 equity shares of Rs. 10 each to be issued by BS Transcomm Limited to the Public ("IPO")**

Please refer to your mandate letter dated March 15, 2010 for grading of IPO of 76,79,410 equity shares of Rs. 10 each of BS Transcomm Limited. The Rating Committee of ICRA, after due consideration, has assigned the **"IPO Grade 2"** (pronounced Initial Public Offer Grade two) grading to the captioned IPO programme. This grading indicates below-average fundamentals.

In any of your publicity material or other document wherever you are using the above grading, it should be stated as **"IPO Grade 2"**. We would appreciate if you can sign on the duplicate copy of this letter and send it to us as a token of your confirmation about the use of this letter. The rationale for assigning the above grading will be sent to you in due course.

Notwithstanding anything to the contrary: An ICRA IPO Grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timelines, or completeness of such information. An ICRA IPO Grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further the ICRA IPO Grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such Issuer nor can it be considered as an authentication of any of the financial statements of the company and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA is provided on an "as is" basis, without representations and warranties of any nature.

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This grading is specific to the terms and conditions of the proposed IPO issue as was indicated to us by you and any change in the terms or size of the IPO would require the grading to be reviewed by us. If there is any change in the terms and conditions or size of the rated IPO, as above, the same must be brought to our notice before the issue of the IPO. If there is any such change after the grading is assigned by us, it would be subject to our review and may result in change in the grading assigned.

If there is any material change in Draft Red Herring Prospectus (DRHP) or business conditions, or any other significant development, the grading would be subject to our review and may result in change in the grading assigned.

ICRA reserves the right to suspend, withdraw or revise the above grading at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the aforesaid grading assigned to you.

The grading, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Equity Shares to be issued by you. If the instrument rated, as above, is not issued by you within a period of 6 months from date of this letter communicating the grading, the same would stand withdrawn unless revalidated before the expiry of 6 months.

You are required to keep us forthwith informed of any developments (including any default or delay in repayment of interest or principal amount of any debt instruments/ borrowing or proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts) which may have a direct or indirect impact on the grading assigned to the aforesaid IPO programme.

In determining the grading, ICRA has relied on the information available/made available to it by your company and ICRA does not guarantee the completeness or accuracy of such information on which the grading is based.

We thank you for your kind cooperation extended during the course of the grading exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,  
for ICRA Limited

A handwritten signature in black ink, appearing to read 'M.S.K. Aditya', is written over a horizontal line. The signature is fluid and cursive.

**[M.S.K. Aditya]**  
**Relationship Manager**