

January 06, 2015

CARE REAFFIRMS CARE AA RATING TO THE BANK FACILITIES / INSTRUMENTS OF TATA VALUE HOMES LTD.

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Instruments – Non-Convertible Debentures	200	CARE AA [Double A]	Reaffirmed; rated amount enhanced from Rs. 100 crore
Long-term Fund-based Bank Facilities – Cash Credit	135	CARE AA [Double A]	Reaffirmed
Total Facilities	335		

Rating Rationale

The ratings assigned to the bank facilities/instruments of Tata Value Homes Ltd. (TVHL) centrally factors in strong parentage of Tata Housing Development Company Ltd (THDCL, rated 'CARE AA / CARE A1+') and financial and managerial support it receives from it.

TVHL, wholly-owned subsidiary of THDCL, remains one of the key subsidiaries for the parent company and spearheads the parent's initiatives in affordable housing segment which is identified as a key growth area. TVHL and THDCL are closely linked and this is in particular underpinned by a common management team and the sharing of essential functions such as treasury, risk management and marketing.

The ratings assigned further builds in geographical and product diversification, healthy booking status of the launched projects and good response for low cost and affordable housing by virtue of being a Tata brand.

However, the ratings are tempered by project execution risk as significant projects are under construction/nascent stage of development, high dependence on advances from the customers to fund the projects and exposure to marketing and sales risk.

Parent's credit profile and ownership in TVHL remains the key rating sensitivities.

Background

Incorporated in 2009, TVHL (erstwhile Smart Value Homes Ltd.) is a wholly-owned subsidiary of THDCL. The company is focused on real estate development of integrated townships in the value and affordable housing segment across 8 cities of India having approximately 17.94 million square feet (msf) under development. The company pioneered the concept of value homes under the banner of ShubhGriha and has also developed the New Haven brand for the affordable housing in India.

The company earned profit after tax (PAT) of Rs.3.60 crore on a total operating income of Rs.71.45 crore in FY14 (refers to the period April 1 to March 31) as against PAT of Rs.8.44 crore on a total operating income of Rs.159.65 crore in FY13.

Analyst Contact

Name: Dhaval Patel

Tel: 022- 6754 3438

Email: Dhaval.Patel@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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.

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

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.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CONTACT

Head Office Mumbai

Mr. D.R. Dogra

Managing Director
 Mobile: +91-98204 16002
 E-mail: dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director
 Mobile: +91-98204 16001
 E-mail: rajesh.mokashi@careratings.com

Ms. MeenalSikchi

Vice President - Bank Loan & Instrument Rating
 Mobile: +91-9819009839
 E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva

Vice President - Bank Loan & Financial Services
 Mobile: +91-9819698985
 E-mail: ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
 Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

Other Office:

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069
 Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

AHMEDABAD
Mr. Mehul Pandya

32, Titanium, Prahaladnagar Corporate Road,
 Satellite, Ahmedabad - 380 015
 Cell: +91-98242 56265
 Tel: +91-79-4026 5656
 E-mail: mehul.pandya@careratings.com

BENGALURU
Mr. Dinesh Sharma

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
 No. 30, M.G. Road, Bangalore - 560 001.
 Cell: +91-99000 41975
 Tel: +91-80-4115 0445, 4165 4529
 E-mail: dinesh.sharma@careratings.com

CHANDIGARH
Mr. Sajan Goyal

2nd Floor, S.C.O. 196-197, Sector 34-A,
 Chandigarh - 160 022.
 Cell: +91 99888 05650
 Tel: +91-172-5171 100 / 09
 Email: sajan.goyal@careratings.com

CHENNAI
Mr. V Pradeep Kumar

Unit No. O-509/C, Spencer Plaza, 5th Floor,
 No. 769, Anna Salai, Chennai - 600 002.
 Cell: +91 98407 54521
 Tel: +91-44-2849 7812 / 0811
 Email: pradeep.kumar@careratings.com

HYDERABAD
Mr. Saikat Roy

401, Ashoka Scintilla, 3-6-502, HimayatNagar,
 Hyderabad - 500 029.
 Tel: +91-40-4010 2030
 E-mail: saikat.roy@careratings.com

JAIPUR
Mr. Harsh Raj Sankhla

304, PashupatiAkshatHeights, Plot No. D-91,
 Madho Singh Road, NearCollectorateCircle,
 Bani Park, Jaipur - 302 016.
 Cell: +91 – 9413969100
 Tel: +91-141-402 0213 / 14
 E-mail: harshraj.sankhla@careratings.com

KOLKATA
Ms. Priti Agarwal

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
 10A, Shakespeare Sarani, Kolkata - 700 071.
 Cell: +91-98319 67110
 Tel: +91-33- 4018 1600
 E-mail: priti.agarwal@careratings.com

NEW DELHI
Ms. Swati Agrawal

13th Floor, E-1 Block, Videocon Tower,
 Jhandewalan Extension, New Delhi - 110 055.
 Cell: +91-98117 45677
 Tel: +91-11-4533 3200
 E-mail: swati.agrawal@careratings.com

PUNE
Mr. Rahul Patni

9th Floor, PrideKumarSenate,
 Plot No. 970, Bhamburda, SenapatiBapat Road,
 ShivajiNagar, Pune - 411 015.
 Cell: +91-78754 33355
 Tel: +91-20- 4000 9000
 E-mail: rahul.patni@careratings.com

CIN - L67190MH1993PLC071691