

March 31, 2020

## VBHC Mumbai Value Homes Private Limited: Rating of [ICRA]BB+ (Stable) withdrawn

### Summary of rating action

| Instrument             | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action                |
|------------------------|--------------------------------------|-------------------------------------|------------------------------|
| Fund based – Term Loan | 90.0                                 | 0.0                                 | [ICRA]BB+ (Stable) withdrawn |

### Rationale

The rating of [ICRA]BB+ (Stable) assigned to the borrowing programme of VBHC Mumbai Value Homes Private Limited has been withdrawn at the request of the company and based on the no objection received from the lender, in accordance with ICRA's policy on withdrawal and suspension of credit ratings.

### Key rating drivers and their description

Key rating drivers have not been captured as the rated instrument is being withdrawn.

### Liquidity position:

Not captured as the rating is being withdrawn

### Rating sensitivities

Not captured as the rating is being withdrawn

### Analytical approach

| Analytical Approach             | Comments   |
|---------------------------------|--|
| Applicable Rating Methodologies | <a href="#">Corporate Credit Ratings: A Note on Methodology</a><br><a href="#">ICRA Policy on Withdrawal and Suspension of Credit Rating</a> |
| Parent/Group Support            | Parent Company: VBHC Value Homes Private Limited   |
| Consolidation/Standalone        | Consolidated financial statements of VBHC and its subsidiaries has been considered.  |

### About the company

VBHC Mumbai Value Homes Private Limited, a subsidiary of VBHC Value Homes Private Limited is currently developing two projects at Kengeri, Bangalore and Palghar, Mumbai with a total saleable area of 6.7 lakh sq ft and 0.3 lakh sq ft respectively. The company has also completed development of 1.6 lakh sq ft in Palm Heaven project (in Kengeri) and 4.1 lakh sq ft in Palghar project.

VBHC Value Homes Private Limited (VBHC) is the holding company of the VBHC Group and was incorporated in 2008. The company does not have any operations of its own but holds 100% stake in the SPVs (VBHC Delhi Value Homes Private Limited, VBHC Delhi Projects Private Limited, VBHC Mumbai Value Homes Private Limited, VBHC

Chennai Value Homes Private Limited, VBHDC Bangalore Value Homes Private Limited, FIRSTHOUSE Budget Homes Private Limited and Ivorybrick Homes LLP) of the Group. The VBHC Group is promoted by Mr. Jerry Rao, with focus on the affordable housing segment. The Group, at present, has five ongoing projects in Kengeri, Bhiwadi, Oragadam, Vasind and Palghar. The Group has also received equity funding from various investors including International Finance Corporation, Van Herk, Daiwa House Industry, HDFC Limited, Tano India Private Equity and Ambit Corporate Finance among others.

### Key financial indicators (consolidated)

|  | <b>FY2018<br/>Audited</b> | <b>FY2019<br/>Provisional</b> |
|--|---------------------------|-------------------------------|
| Operating Income (Rs. crore)                         | 75.5                      | 84.8                          |
| PAT (Rs. crore)                                      | -33.1                     | -96.9                         |
| OPBDIT/OI (%)  | -25.9%                    | -94.1%                        |
| RoCE (%)   | -4.4%                     | -14.8%                        |
| Total Outside Liabilities/Tangible Net Worth (times) | 0.6                       | 1.0                           |
| Total Debt/OPBDIT (times)                            | -8.3                      | -2.4                          |
| Interest Coverage (times)                            | -1.8                      | -3.7                          |
| DSCR (excluding short term debt and prepayments)     | -1.3                      | -2.7                          |

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

|   | Instrument  | Rating History in FY2020 |              |                    |                               | Rating History for the Past 3 Years |                       |                       |                      |        |                     |                    |
|---|-------------|--------------------------|--------------|--------------------|-------------------------------|-------------------------------------|-----------------------|-----------------------|----------------------|--------|---------------------|--------------------|
|   |             | Type                     | Amount Rated | Amount Outstanding | Current Rating                | Previous Rating                     | FY2019                |                       |                      | FY2018 | FY2017              |                    |
|   |             |                          |              |                    | 31-Mar-2020                   | 16-Sep-2019                         | 12-Dec-2018           | 10-Dec-2018           | 31-May-2018          | -      | 20-Feb-2017         | 04-May-2016        |
| 1 | Term Loan   | Long Term                | 90.0         | 70.0               | [ICRA]BB+ (Stable), withdrawn | [ICRA]BB+ (Stable)                  | [ICRA]BBB- (Negative) | [ICRA]BBB- (Negative) | [ICRA]BBB (Negative) | -      | [ICRA]BBB+ (Stable) | [ICRA]BBB (Stable) |
| 2 | Unallocated | Long Term                | 0.0          | -                  | -                             | -                                   | -                     | -                     | [ICRA]BBB (Negative) | -      | -                   | -                  |
| 3 | Cash Credit | Long Term                | 0.0          | -                  | -                             | -                                   | -                     | -                     | -                    | -      | -                   | [ICRA]BBB (Stable) |

Amount in Rs. crore

### Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### Annexure-1: Instrument details

| ISIN No | Instrument Name | Date of Issuance/<br>Sanction | Coupon<br>Rate | Maturity<br>Date  | Amount Rated<br>(Rs. crore) | Current Rating and<br>Outlook   |
|---------|-----------------|-------------------------------|----------------|-------------------|-----------------------------|---------------------------------|
| NA      | Term Loan       | June 2018                     | -              | September<br>2024 | 90.00                       | [ICRA]BB+ (Stable)<br>withdrawn |

Source: VBHC Mumbai Value Homes Private Limited, NA – Not Applicable

## Annexure-2: List of entities considered for consolidated analysis

| Company Name                                | Ownership <sup>1</sup> | Consolidation Approach |
|---|------------------------|------------------------|
| VBHC Mumbai Value Homes Private Limited     | 100.00%                | Full Consolidation     |
| VBHC Delhi Value Homes Private Limited      | 99.99%                 | Full Consolidation     |
| VBHC Delhi Projects Private Limited         | 99.99%                 | Full Consolidation     |
| VBHC Chennai Value Homes Private Limited    | 99.99%                 | Full Consolidation     |
| Ivorybrick Homes LLP                        | 100.00%                | Full Consolidation     |
| VBHDC Bangalore Value Homes Private Limited | 99.99%                 | Full Consolidation     |
| FIRSTHOUSE Budget Homes Private Limited     | 99.99%                 | Full Consolidation     |

<sup>1</sup> Ownership as on March-2019

## Analyst Contacts

### Shubham Jain

+91 124 4545306

[shubhamj@icraindia.com](mailto:shubhamj@icraindia.com)

### Mathew Kurian Eranat

+91 80 4332 6415

[mathew.eranat@icraindia.com](mailto:mathew.eranat@icraindia.com)

### Nishant Mishra

+91 80 4332 6408

[nishant.mishra@icraindia.com](mailto:nishant.mishra@icraindia.com)

## Relationship Contact

### L. Shivakumar

+91 22 6169 3300

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

### Ms. Naznin Prodhani

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited

### Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: [info@icraindia.com](mailto:info@icraindia.com)

Website: [www.icra.in](http://www.icra.in)

### Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

### Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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