

T-HILLS PRIVATE LIMITED
(formerly Jaganmata Property Developers Private Limited)

07.07.2023

To

The General Manager – DCS,
Listing Operations-Corporate Services Dept.
BSE Limited
1st Floor, New Trading Ring, Rotunda
Building, 'P J. Towers, Dalal Street, Fort,
Mumbai 400 001.
corp.relations@bseindia.com

ISIN: INE0G2607037

Scrip Code: 974204

Dear Sir / Madam,

Sub: Affirmation of Credit Rating

We write to inform that the Rating Committee of India Ratings & Research (A Fitch Group Company) after due consideration has **affirmed** credit rating for the credit facilities availed by the Company from Standard Chartered Bank (Mauritius) Limited-Debt (FPI) at **[BBB+/Stable]** ("Ratings") vide rating letter dated July 06, 2023. The outlook on the long-term rating is **Stable**.

Please find enclosed herewith the Rating rationale from India Ratings & Research (A Fitch Group Company).

Following are the previous details:

Rating Agency	Particulars	Rating	Date of rating
India Ratings & Research (A Fitch Group Company)	Non Convertible Debentures – Rs. 225 crores	BBB+/Stable	September 15, 2022

This is for your information and records.

Thanking you

Yours sincerely

For **T-Hills Private Limited**

D. S. Patil
Director
DIN: 01599400

India Ratings Affirms T-Hills' NCDs at 'IND BBB+' / Stable

Jul 06, 2023 | Residential | Commercial Projects

India Ratings and Research (Ind-Ra) has taken the following rating actions on T-Hills Private Limited's debt instruments:

Instrument Type	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Non-convertible debentures (NCDs)	INE0G2607037	15 September 2022	10.7%	31 December 2024	INR2,250	IND BBB+/Stable	Affirmed
NCDs*	INE0G2607029	20 March 2021	No fixed coupon*	22 December 2028	INR210	WD	Withdrawn
NCDs*	INE0G2607011	23 December 2020	No fixed coupon*	22 December 2028	INR1,360	WD	Withdrawn
Commercial paper (CPs)*	-	-		August 2022	INR1,250	WD	Withdrawn

*The facility has been paid in full.

Analytical Approach: Ind-Ra continues to take a top-down rating approach under its Parent Subsidiary Linkage Criteria to rate T-Hills, a special purpose vehicle (SPV), and has linked its rating as well as Outlook to those of its 100% parent Puravankara Limited ('IND A-' / Positive) due to the strong strategic and operational ties between the two entities.

Key Rating Drivers

Strong Ties with Financially Robust Parent: T-Hills is a 100% subsidiary of PL. T-Hills houses one of the plotted development projects of PL which is part of the long-term strategy of monetising the parent's land bank. The project is located in Devanahalli in Bengaluru. The project is being developed in five phases and would have a total saleable area of 1,422,322sf. T-Hills had INR1,288.9 million of debt outstanding at FYE23 (FY22: INR1,563 million), which has a corporate guarantee from PL.

PL has completed 80 projects over the past four decades with a total floor space of 45 million sf across both its brands - Provident and Puravankara - in the major cities of south and west India. Provident, as a brand, has been in existence for over 12 years now, and is well established. Puravankara is a top 10 player in most of the cities it operates in and has a

strong presence in Bangalore, where T-Hills operates. In FY23, Puravankara achieved pre-sales of INR31,070 million (FY22: INR24,070 million), of which INR12,390 million came from Provident. The association with PL and the ability to use the brand Provident enable T-Hills benefit from the former's strong brand image, experience and project execution capabilities. At FY23, presales to net debt ratio for PL was 1.41x (FY22: 1.18x).

T-Hills operates under Purva Land Ltd (a subsidiary of Puravankara) and shares a common management with it. PL plans to focus on the Purva Land brand, which sells low-risk plotted projects, for growth over the near term. The SPV's business plan is a major step in that direction. The total saleable area of the project is 1,422,322sf, which consists of five phases.

Emerging Project Location: The project is located within 15km of Bangalore International Airport and 2-3km from Devanahalli town. The location witnessed a strong real estate demand over FY15-FY23 due to the proximity to the airport and improving transportation connectivity.

Liquidity Indicator - Adequate: At FYE23, the cash and cash equivalents amounted to INR599.9 million (FYE22: INR971.1 million). The total outstanding debt at 31 March 2023 is INR1,288.9 million which would mature in FY24. Out of the total saleable area of the project of 1,422,322sf, 72% was sold till 31 March 2023. The total sales value achieved for the area sold is INR6,019 million, of which INR4,179 million has already been collected until 31 March 2023. The sales realisation is about INR4,997 million. The pending construction cost as of 31 March 2023 was INR400 million. The pending collections from the already sold area of INR1,840 million are sufficient covers the pending construction cost of the project and the outstanding debt.

Geographic Concentration and New Project Risk: T-Hills' standalone credit profile is constrained by its single location. In addition, the standalone business faces risks common to all new real estate ventures such as those relating to customer reception, project execution and construction. However, Ind-Ra believes experienced promoters are likely to help T-Hills sail through any difficulties.

Small Standalone Size and Scale: At FYE23, the SPV had shareholder equity of negative INR152.2 million (FY22: negative INR0.69 million) and total asset worth INR 5,979.51 million (INR 3,991.41 million).

Rating Sensitivities

Negative: A rating downgrade for PL or a weakening of the linkages between PL and the SPV could result in a rating downgrade.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on T-Hills, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please [click here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please [click here](#).

Company Profile

T-Hills is 100% owned by PL. The SPV owns up to 60.71 acres of land in Devanahalli Taluk, North Bengaluru. The entire project will be sold as one plotted development. The total plots for the sale will amount up to 1,422,332sf.

FINANCIAL SUMMARY

The financial summary is not relevant as the SPV is developing a single project and revenues would be recognised upon contract completion.

Non-Cooperation with previous rating agency

Not applicable

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Rating Type	Rated Limits (million)	Current Ratings	Historical Rating/Outlook					
			7 July 2022	23 March 2022	24 March 2021	9 March 2021	16 December 2020	November 2019
Long-term	INR2,250	IND BBB+/Stable	IND BBB+/Stable	IND BBB+/Stable	IND BBB/Positive	IND BBB/Positive	IND BBB/Positive	IND BBB/Positive
Short-term	INR1,250	WD	IND A2	-	-	-	-	-



Complexity Level of Instruments

Instrument Type	Complexity Indicator
NCDs	Low
CP	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Contact

Primary Analyst

Pranav Nagar

Associate Director

India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai - 400051

+91 22 40001748

For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst

Mahaveer Jain
Director
+91 80 46666817

Chairperson

Vivek Jain
Director
+91 124 6687249

Media Relation

Ameya Bodkhe
Marketing Manager
+91 22 40356121

APPLICABLE CRITERIA

Short-Term Ratings Criteria for Non-Financial Corporates**Parent and Subsidiary Rating Linkage****Evaluating Corporate Governance****The Rating Process****Corporate Rating Methodology****DISCLAIMER**

All credit ratings assigned by India Ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India Ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.