

BID

Issue Details	
Issue price (Rs.)	1000
Face value (Rs.)	1000
Issue opens	07-Jan-20
Issue closes	17-Jan-20
Issue size (Rs.)	Upto 2000 cr.
Allotment	First Come First Serve basis
Minimum application	10 NCDs (Rs.10000) & in multiple Thereafter
Listing	BSE/NSE
Issuance and trading	In physical and Demat form
Rating	CRISIL AAA/Stable and [ICRA] AAA (stable)

Other Details	
Lead Manager	Edelweiss Financial Services Ltd. And others
Registrar	KFin Technologies Private Limited

Category	Allocation	Issue Size (in cr.)
QIB (I)	10%	200
Corporate (II)	10%	200
HNI (III)	40%	800
Retail (IV)	40%	800
Total	100%	2000

Distribution Team
E: mutualfund@acm.co.in D: +91 22 6132 5929

Analyst
Karan Desai E: karan.desai@acm.co.in D: +91 22 2858 3221

TATA CAPITAL HOUSING FINANCE LIMITED

(Public Issue of Secured & Unsecured Non-Convertible Debentures)

Company Background:

Incorporated in 2008, Tata Capital Housing Finance Ltd. (TCHFL) is one of India's leading non-deposit taking housing finance companies registered with the NHB. It is a wholly owned subsidiary of Tata Capital Financial Services Limited (TCFSL) which provides a range of financial products to corporate and consumers.

As on 30 Sept 2019, it has 88 branches across Tier I, Tier II and Tier III cities in India. The key focus areas of Tata Capital Housing Finance Ltd are:

1. Affordable housing to Tier II and Tier III cities
2. Leveraging the "Tata" brand
3. Increasing alternate business channels

Key Strengths

1. Unified financial services platform
2. Prudent credit and information technology policies
3. A diverse funding portfolio
4. Pan-India

Object of the Issue:

Tata Capital Housing Finance Ltd proposes to utilize the funds towards funding the following objects:

1. For the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings of the company
2. General Corporate Purposes

Rationale:

- CRISIL AAA/Stable and [ICRA] AAA (stable)
- TCHFL is promoted by Tata Financial Services Limited, a known diversified financial company. Being part of the most trusted Tata Conglomerate provides a strong parental support.
- For Fiscal 2019, TCHFL made total loan disbursements of Rs. 11101.11 cr. As of September 30, 2019, its gross Non-Performing Assets ("NPAs") in terms of value and as a percentage of outstanding loans were Rs. 400.59 cr. or 1.45 %, respectively and net NPAs in terms of value and as a percentage of TCHFL net outstanding loans were Rs. 145.06 cr. or 0.53 %, respectively.
- TCHFL has posted total revenue/net profits of Rs. 2440.01 cr. / Rs. 50.49 cr. (FY19). For the H1 of FY20 it has earned net profit of Rs. 23.70 cr. on total revenue of Rs. 1494.89 cr.
- In the current interest rate scenario, this NCD offers a good opportunity for fixed income investors to diversify their portfolio and add a company with a good credit rating.

Conclusion:

We recommend investors to BID for the Secured NCDs only. Please note NCD carry higher risk with high return so invest in structured manner .Do not invest in unsecured NCD.

Effective yield (P.A.):

Series	I*	II	III	IV	V	VI
Frequency of Interest Payment	Annual	Monthly	Annual	Monthly	Annual	Annual
Type of NCD	Secured	Secured	Secured	Secured	Secured	Unsecured
Tenor	36 months	60 months	60 months	96 months	96 months	120 months
Coupon (% per annum) for Category I & II	8.00%	7.92%	8.20%	8.01%	8.30%	8.55%
Coupon (% per annum) for Category III & IV	8.10%	8.01%	8.30%	8.10%	8.40%	8.70%
Effective Yield (% per annum) for Category I & II	7.99%	8.21%	8.19%	8.30%	8.29%	8.54%
Effective Yield (% per annum) for Category III & IV	8.09%	8.30%	8.29%	8.40%	8.39%	8.69%
Amount (Rs / NCD) on Maturity for Category I, II, III & IV	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Source: Company, RHP						

*Company would allot the Series I NCDs, as specified in this Tranche 1 Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of NCDs.

Asit C. Mehta

INVESTMENT INTERMEDIATES LTD.

Retail Research Desk:

Akhil Rathi	D: 91 22 2858 3210
Hrshikesh Yedve	D: 91 22 2858 3207
Neeraj Sharma	D: 91 22 2858 3208
Rohan Gawale	D: 91 22 2858 3213
Karan Desai	D: 91 22 2858 3221

Email: retailresearch@acm.co.in

Research Analyst Registration Number:

INH000002483

CIN: U65990MH1993PLC075388

An ISO 9001:2015 Certified Company

Follow us on:



Information pertaining to Asit C. Mehta Investment Intermediates Limited (ACMIL):

ACMIL is a SEBI registered Stock Broker, Merchant Banker and Depository Participant. It is also a AMFI registered Mutual Fund Distributor. It does not have any disciplinary history. Its associate/group companies are Asit C. Mehta Commodity Services Limited, Asit C. Mehta Realty Services Pvt. Ltd, Asit C. Mehta Forex Pvt. Ltd, Nucleus IT Enabled Services, Asit C. Mehta Financial Services Limited (all providing services other than stock broking and merchant banking).

Disclosures

ACMIL/its associates and its Research analysts have no financial interest in the companies covered on the report. ACMIL/its associates and Research analysts did not have actual/beneficial ownership of one per cent or more in the companies being covered at the end of month immediately preceding the date of publication of the research report. ACMIL/its associates or Research analysts have no material conflict of interest, have not received any compensation/benefits for any reason (including investment banking/merchant banking or brokerage services) from either the companies concerned/third parties with respect to the companies covered in the past 12 months. ACMIL/its associates and research analysts have neither managed or co-managed any public offering of securities of the companies covered nor engaged in market making activity for the companies being covered. Further, the companies covered neither are/nor were a client during the 12 months preceding the date of the research report. Further, the Research analyst/s covering the companies covered herein have not served as an officer/director or employee of the companies being covered

Disclaimer:

This report is based on information that we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon such. ACMIL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in the report. To enhance transparency we have incorporated a Disclosure of Interest Statement in this document. This should however not be treated as endorsement of the views expressed in the report