

September 14, 2010

**CARE ASSIGNS 'CARE BBB' RATING TO THE NCD OF
VIJAY ASSOCIATES (WADHWA) CONSTRUCTIONS PVT LTD.**

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Non-convertible Debentures (NCD)	450.00	'CARE BBB' (Triple B)	Assigned
Total	450.00		

Rating Rationale

The rating derives strength from the experience of VACPL's promoters in real estate development, strong brand image of the Wadhwa group, already-accomplished tie-up for the entire debt required for the project, payment of the entire cost of land acquired for the project, healthy booking status with a substantial receipt of advances from the customers. The rating is, however, constrained by dependence on advances from customers to partly fund the project, the inherent project-execution risk considering the current completion status of the project and the cyclical nature of the industry.

VACPL's ability to execute the project as scheduled and to achieve the envisaged sales are the key rating sensitivities.

Company Profile

Vijay Associates (Wadhwa) Construction Pvt. Ltd. (VACPL) is a project-specific Special Purpose Vehicle (SPV) of the Wadhwa group. The group was promoted by the late Mr. Vasudev Wadhwa and has been engaged in the business of real estate, construction and development for over 40 years. The group has its presence mainly in the city of Mumbai. It has executed around 800 projects since its inception and developed around 10 million square feet (msf) of area in and around Mumbai. Currently, the group has 11.4 msf of saleable area under development.

VACPL is developing a residential project at Goregaon (West), Mumbai which consists of four towers of 44 storeys each. The project would have in all 774 units with a total saleable area of 1.7 msf and 1,200 car parks.

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

The estimated cost of the project is Rs.1,284 crore, which is being funded through a mix of promoters' contribution, external debt, and advances from customers. As on May 15, 2010, the company had incurred around 39% of the project cost and 55% of the area was already sold.

Analyst Contact

Name: Milind Raje

Tel # 022-67543482

Mobile # 9820495390

Email: milind.raje@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.

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.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail :Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail :swati.agrawal@careratings.com</p>