



Press Release

Indiabulls Real Estate Limited (IBREL)

May 08, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action
Term Loan	215.95	IVR A+ (IVR Single A Plus)	Rating Revised and Placed Under Credit Watch With Developing Implications
Proposed Term Loan	274.05	Under Credit Watch With Developing Implications	Watch With Developing Implications
NCDs	510.00	IVR A+ (IVR Single A Plus) Under Credit Watch With Developing Implications	Assigned
Commercial Paper	1500.00	IVR A1+ (IVR A1 Plus)*	Rating Reaffirmed
Total	2500.00	(Two Thousand and Five Hundred Crore Only)	

*Based on an undertaking provided by the company to maintain cash and cash equivalents (including short term investments) and undrawn facility limits in company or subsidiaries to the tune of 60% of CP's outstanding

Details of Facilities are in Annexure 1

Rating Rationale

The revision in the rating takes into account the recent developments pertaining to the headwinds on Indiabulls Housing Finance, a group company, which has exposure to the tune of Rs. ~660 crore in form of AT1 Yes Bank bonds, slowdown in real estate sector and high dependence on customer advances. However, the rating continues to derive strength from diversified group with experienced promoters, improving capital structure and available land bank.



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Credit Watch: Under Credit Watch With Developing Implications

The rating has been placed under credit watch with developing implications to monitor the impact of the envisaged divestment targets and utilization of the proceeds on the capital structure of IBREL.

Key Rating Sensitivities

Upward Factor

- With the business strategy to reduce its net debt to zero by divesting its properties and paying its debt from the sale proceeds, the company achieving all its divestment targets and would improve its capital structure even further and call for a positive rating action.

Downward Factor

- Any delay in achieving the envisaged divestment targets or utilization of the proceeds for any other purpose would put further stress on capital structure and call for a negative rating action.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Diversified group with experienced promoters:

Indiabulls is a well-diversified group led by its founding chairman Mr. Sameer Gehlaut. It has emerged as one of the leading business conglomerates in country with business interests across sectors like consumer finance, real estate, infrastructure & construction leasing, pharmaceuticals etc. Mr. Gehlaut is accompanied by Mr. Narendra Gehlaut who also has leadership experience of more than a decade in construction industry and Indian real estate market. IBREL would continue benefiting from its promoters' and management personnel's industry experience

Improving capital Structure:

IBREL's capital structure has seen a substantial improvement in the recent years. With the business strategy of focusing on asset light model, the company has divested much of its properties and assets and reduced its debt from the sales proceeds. The long term debt to



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equity ratio moved from 2.25x in FY18 to 1.7x in FY19. The credit metrics are expected to improve further in the upcoming years as the company targets to reduce its debt to zero.

Available Land bank:

IBREL has a fully paid Land Bank of 1,929 acres, of which around 95% is spread across metro cities of Mumbai, NCR and Chennai region. Additionally, the company also has 1,424 acres of SEZ land in Nashik, Maharashtra. With its focus on core markets of Mumbai and NCR, this portion of land bank would tend to complement the current business strategy.

Key Rating Weaknesses

Slow-down in real estate sector:

The real estate sector in India is witnessing slowdown due to range of reasons including macro-economic factors resulting in higher inventory all over. The piling inventory is making it more difficult for the developers to meet their delivery commitments aggravating the problem.

High dependence on Customer advances:

Primarily, the company depends on advances received from its customers and external borrowings to fund its operations. With the strategy to reduce the total debt to zero, IBREL's future operations would depend largely on the advances received from the customers. Any unexpected deviations from the customer receivables would result in delay in company's commitments and have a contagion effect on its financials.

Analytical Approach:

Consolidated: Details of entities consolidated are given in **Annexure 2**.

Applicable Criteria:

Rating Methodology for Real Estate Entities

Financial Ratios & Interpretation (Non-Financial Sector)

Liquidity: Adequate

Adequate liquidity characterized by sufficient cushion in accruals vis-à-vis repayment obligations and moderate cash balance of Rs.737 Crore.



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About the Company

Indiabulls Real Estate Limited (IBREL), incorporated on 04th April, 2006, is in the business of real estate project advisory, maintenance of completed projects, engineering, construction and development of real estate properties and other related and ancillary activities. It is a holding company domiciled in India and has 225 subsidiaries.

Financials (Consolidated)

(Rs. crore)

For the year ended* / As On	31-03-2018 (Audited)	31-03-2019 (Audited)
Total Operating Income	4502.67	4943.89
EBITDA	3305.53	1039.50
PAT	2359.56	504.32
Total Debt	6774.29	5708.81
Tangible Net worth	3007.44	3365.51
EBITDA Margin (%)	73.41	21.03
PAT Margin (%)	49.92	9.65
Overall Gearing Ratio(x)	2.25	1.70

* Classification of financial numbers is as per Infomerics' standards.

Status of non-cooperation with previous CRA: N.A.

Any other information: N.A.



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Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1	Term Loans	Long Term	490.00 (Includes proposed term loans of 274.05 Crs)	IVR A+ Under Credit Watch With Developing Implications	IVR AA-/ Stable Outlook	--	--
2	NCDs	Long Term	510.00	IVR A+ Under Credit Watch With Developing Implications	--	--	--
3	Commercial Paper	Short Term	1500.00	IVR A1+	IVR A1+	--	--

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loans	--	--	6 Years	215.95	IVR A+ (IVR Single A Plus)
Proposed Term Loan	--	--	--	274.05	Under Credit Watch With Developing Implications
NCDs	--	--	June 2021	510.00	Under Credit Watch With Developing Implications
Commercial Paper	--	--	Less than one year	1500.00	IVR A1+



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Annexure 2: List of Subsidiaries and Associates considered for consolidated analysis

Name of subsidiary	Ownership as on 31 March 2019	Consolidation Approach
Aedos Real Estate Company Limited	100.00%	Full Consolidation
Airmid Developers Limited	100.00%	Full Consolidation
Airmid Properties Limited	100.00%	Full Consolidation
Airmid Real Estate Limited	100.00%	Full Consolidation
Albasta Constructions Limited	100.00%	Full Consolidation
Albasta Developers Limited	100.00%	Full Consolidation
Albasta Infrastructure Limited	100.00%	Full Consolidation
Albasta Properties Limited	100.00%	Full Consolidation
Albasta Real Estate Limited	100.00%	Full Consolidation
Albina Properties Limited	100.00%	Full Consolidation
Albina Real Estate Limited	100.00%	Full Consolidation
Amadis Land Development Limited	100.00%	Full Consolidation
Angina Properties Limited	100.00%	Full Consolidation
Angles Constructions Limited	100.00%	Full Consolidation
Apesh Constructions Limited	100.00%	Full Consolidation
Apesh Properties Limited	100.00%	Full Consolidation
Apesh Real Estate Limited	100.00%	Full Consolidation
Arianca Limited	100.00%	Full Consolidation
Ariston Investments Limited	100.00%	Full Consolidation
Ariston Investments Sub C Limited	100.00%	Full Consolidation
Ashkit Constructions Limited	100.00%	Full Consolidation
Athena Builders And Developers Limited	100.00%	Full Consolidation
Athena Buildwell Limited	100.00%	Full Consolidation
Athena Infrastructure Limited	100.00%	Full Consolidation
Athena Land Development Limited	100.00%	Full Consolidation
Aurora Builders And Developers Limited	100.00%	Full Consolidation
Brenformexa Limited	100.00%	Full Consolidation
Bridget Builders And Developers Limited	100.00%	Full Consolidation



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Catherine Builders & Developers Limited	100.00%	Full Consolidation
Century Limited	100.00%	Full Consolidation
Ceres Constructions Limited	100.00%	Full Consolidation
Ceres Estate Limited	100.00%	Full Consolidation
Ceres Infrastructure Limited	100.00%	Full Consolidation
Ceres Land Development Limited	100.00%	Full Consolidation
Ceres Properties Limited	100.00%	Full Consolidation
Chloris Real Estate Limited	100.00%	Full Consolidation
Citra Developers Limited	100.00%	Full Consolidation
Citra Properties Limited	100.00%	Full Consolidation
Cobitis Buildwell Limited	100.00%	Full Consolidation
Cobitis Real Estate Limited	100.00%	Full Consolidation
Corus Real Estate Limited	100.00%	Full Consolidation
Dev Property Development Limited	100.00%	Full Consolidation
Devona Developers Limited	100.00%	Full Consolidation
Devona Infrastructure Limited	100.00%	Full Consolidation
Devona Properties Limited	100.00%	Full Consolidation
Diana Infrastructure Limited	100.00%	Full Consolidation
Diana Land Development Limited	100.00%	Full Consolidation
Edesia Constructions Limited	100.00%	Full Consolidation
Edesia Developers Limited	100.00%	Full Consolidation
Edesia Infrastructure Limited	100.00%	Full Consolidation
Elena Constructions Limited	100.00%	Full Consolidation
Elena Properties Limited	100.00%	Full Consolidation
Eros Limited	100.00%	Full Consolidation
Fama Builders And Developers Limited	100.00%	Full Consolidation
Fama Construction Limited	100.00%	Full Consolidation
Fama Estate Limited	100.00%	Full Consolidation
Fama Infrastructure Limited	100.00%	Full Consolidation
Fama Land Development Limited	100.00%	Full Consolidation
Fama Properties Limited	100.00%	Full Consolidation



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Flora Land Development Limited	100.00%	Full Consolidation
Fornax Constructions Limited	100.00%	Full Consolidation
Fornax Real Estate Limited	100.00%	Full Consolidation
Foundvest Limited	100.00%	Full Consolidation
Galium Builders And Developers Limited	100.00%	Full Consolidation
Grand Limited	100.00%	Full Consolidation
Grapene Limited	100.00%	Full Consolidation
Hecate Power and Land Development Limited	100.00%	Full Consolidation
Hermes Builders And Developers Limited	100.00%	Full Consolidation
Hermes Properties Limited	100.00%	Full Consolidation
IB Assets Limited	100.00%	Full Consolidation
IB Holdings Limited	100.00%	Full Consolidation
Indiabulls Buildcon Limited	100.00%	Full Consolidation
Indiabulls Commercial Assets Limited (formerly Indiabulls Commercial Builders Limited)	100.00%	Full Consolidation
Indiabulls Commercial Estate Limited	100.00%	Full Consolidation
Indiabulls Commercial Properties Limited	100.00%	Full Consolidation
Indiabulls Communication Infrastructure Limited	100.00%	Full Consolidation
Indiabulls Constructions Limited	100.00%	Full Consolidation
Indiabulls Engineering Limited	100.00%	Full Consolidation
Indiabulls Estate Limited	100.00%	Full Consolidation
Indiabulls Hotel Properties Limited	100.00%	Full Consolidation
Indiabulls Housing and Constructions Limited	100.00%	Full Consolidation
Indiabulls Housing and Land Development Limited	100.00%	Full Consolidation
Indiabulls Housing Developers Limited	100.00%	Full Consolidation
Indiabulls Industrial Infrastructure Limited	89.01%	Full Consolidation



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Indiabulls Infraestate Limited	100.00%	Full Consolidation
Indiabulls Infrastructure Projects Limited	100.00%	Full Consolidation
Indiabulls Infratech Limited	100.00%	Full Consolidation
Indiabulls Land Holdings Limited	100.00%	Full Consolidation
Indiabulls Lands Limited	100.00%	Full Consolidation
Indiabulls Multiplex Services Limited	100.00%	Full Consolidation
Indiabulls Natural Resources Limited	100.00%	Full Consolidation
Indiabulls Projects Limited	100.00%	Full Consolidation
Indiabulls Properties Investment Trust	100.00%	Full Consolidation
Indiabulls Property Management Trustee Pte. Limited.	100.00%	Full Consolidation
Indiabulls Real Estate Builders Limited	100.00%	Full Consolidation
Indiabulls Real Estate Developers Limited	100.00%	Full Consolidation
Indiabulls Realty Company Limited	100.00%	Full Consolidation
Indiabulls Software Parks Limited	100.00%	Full Consolidation
IPMT Limited	100.00%	Full Consolidation
Ivonne Infrastructure Limited	100.00%	Full Consolidation
Juventus Constructions Limited	100.00%	Full Consolidation
Juventus Estate Limited	100.00%	Full Consolidation
Juventus Infrastructure Limited	100.00%	Full Consolidation
Juventus Land Development Limited	100.00%	Full Consolidation
Juventus Properties Limited	100.00%	Full Consolidation
Kailash Buildwell Limited	100.00%	Full Consolidation
Kaltha Developers Limited	100.00%	Full Consolidation
Karakoram Buildwell Limited	100.00%	Full Consolidation
Karakoram Properties Limited	100.00%	Full Consolidation
Kenneth Builders & Developers Limited (formerly Kenneth Builders & Developers Private Limited) (From 17 January 2017)	100.00%	Full Consolidation
Lakisha Infrastructure Limited	100.00%	Full Consolidation
Lakisha Real Estate Limited*	100.00%	Full Consolidation



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Lavone Builders And Developers Limited	100.00%	Full Consolidation
Lenus Constructions Limited	100.00%	Full Consolidation
Lenus Infrastructure Limited	100.00%	Full Consolidation
Lenus Properties Limited	100.00%	Full Consolidation
Linnet Constructions Limited	100.00%	Full Consolidation
Linnet Developers Limited	100.00%	Full Consolidation
Linnet Infrastructure Limited	100.00%	Full Consolidation
Linnet Properties Limited	100.00%	Full Consolidation
Linnet Real Estate Limited	100.00%	Full Consolidation
Loon Infrastructure Limited	100.00%	Full Consolidation
Loon Land Development Limited*	100.00%	Full Consolidation
Lorena Builders Limited	100.00%	Full Consolidation
Lorena Constructions Limited	100.00%	Full Consolidation
Lorena Developers Limited	100.00%	Full Consolidation
Lorena Infrastructure Limited	100.00%	Full Consolidation
Lorena Real Estate Limited	100.00%	Full Consolidation
Lorita Developers Limited	100.00%	Full Consolidation
Lucina Builders and Developers Limited	100.00%	Full Consolidation
Lucina Buildwell Limited	100.00%	Full Consolidation
Lucina Constructions Limited	100.00%	Full Consolidation
Lucina Estate Limited	100.00%	Full Consolidation
Lucina Land Development Limited	100.00%	Full Consolidation
Lucina Properties Limited	100.00%	Full Consolidation
M Holdco 1 Limited	100.00%	Full Consolidation
M Holdco 2 Limited	100.00%	Full Consolidation
M Holdco 3 Limited	100.00%	Full Consolidation
Mabon Constructions Limited	100.00%	Full Consolidation
Mabon Infrastructure Limited	100.00%	Full Consolidation
Mabon Properties Limited	100.00%	Full Consolidation
Majesta Builders Limited	100.00%	Full Consolidation
Majesta Constructions Limited	100.00%	Full Consolidation



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Majesta Developers Limited	100.00%	Full Consolidation
Majesta Infrastructure Limited	100.00%	Full Consolidation
Majesta Properties Limited	100.00%	Full Consolidation
Makala Infrastructure Limited	100.00%	Full Consolidation
Manjola Infrastructure Limited	100.00%	Full Consolidation
Manjola Real Estate Limited	100.00%	Full Consolidation
Mariana Constructions Limited	100.00%	Full Consolidation
Mariana Developers Limited	100.00%	Full Consolidation
Mariana Infrastructure Limited	100.00%	Full Consolidation
Mariana Properties Limited	100.00%	Full Consolidation
Mariana Real Estate Limited	100.00%	Full Consolidation
Milkyway Buildcon Limited	100.00%	Full Consolidation
Navilith Holdings Limited	100.00%	Full Consolidation
Nerissa Constructions Limited	100.00%	Full Consolidation
Nerissa Developers Limited	100.00%	Full Consolidation
Nerissa Infrastructure Limited	100.00%	Full Consolidation
Nerissa Properties Limited	100.00%	Full Consolidation
Nerissa Real Estate Limited	100.00%	Full Consolidation
Nesoi Limited	100.00%	Full Consolidation
Nilgiri Buildwell Limited	100.00%	Full Consolidation
Nilgiri Infraestate Limited	100.00%	Full Consolidation
Nilgiri Infrastructure Development Limited	100.00%	Full Consolidation
Nilgiri Infrastructure Limited	100.00%	Full Consolidation
Nilgiri Infrastructure Projects Limited	100.00%	Full Consolidation
Nilgiri Land Development Limited	100.00%	Full Consolidation
Nilgiri Land Holdings Limited	100.00%	Full Consolidation
Nilgiri Lands Limited	100.00%	Full Consolidation
Nilgiri Resources Limited	100.00%	Full Consolidation
Noble Realtors Limited	100.00%	Full Consolidation
Paidia Infrastructure Limited	100.00%	Full Consolidation
Parmida Constructions Limited	100.00%	Full Consolidation



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Parmida Developers Limited	100.00%	Full Consolidation
Parmida Properties Limited	100.00%	Full Consolidation
Platane Infrastructure Limited	100.00%	Full Consolidation
Rhea Limited	100.00%	Full Consolidation
Selene Builders And Developers Limited	100.00%	Full Consolidation
Selene Buildwell Limited	100.00%	Full Consolidation
Selene Constructions Limited	100.00%	Full Consolidation
Selene Infrastructure Limited	100.00%	Full Consolidation
Selene Land Development Limited	100.00%	Full Consolidation
Selene Properties Limited	100.00%	Full Consolidation
Sentia Constructions Limited	100.00%	Full Consolidation
Sentia Developers Limited	100.00%	Full Consolidation
Sentia Infrastructure Limited	100.00%	Full Consolidation
Sentia Real Estate Limited	100.00%	Full Consolidation
Sepset Developers Limited	100.00%	Full Consolidation
Sepset Real Estate Limited (From 22 April 2016)	100.00%	Full Consolidation
Serida Infrastructure Limited	100.00%	Full Consolidation
Serida Properties Limited	100.00%	Full Consolidation
Indiabulls Commercial Properties Management Limited (formerly Serpentes Buildwell Limited)	100.00%	Full Consolidation
Serpentes Constructions Limited	100.00%	Full Consolidation
Shivalik Properties Limited	100.00%	Full Consolidation
Shoxell Holdings Limited	100.00%	Full Consolidation
Sophia Constructions Limited	100.00%	Full Consolidation
Sophia Real Estate Limited	100.00%	Full Consolidation
Sylvanus Properties Limited	100.00%	Full Consolidation
Tapir Constructions Limited	100.00%	Full Consolidation
Tapir Land Development Limited	100.00%	Full Consolidation
Tefia Land Development Limited	100.00%	Full Consolidation



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Titan Limited	100.00%	Full Consolidation
Triton Buildwell Limited	100.00%	Full Consolidation
Triton Estate Limited	100.00%	Full Consolidation
Triton Infrastructure Limited	100.00%	Full Consolidation
Triton Properties Limited	100.00%	Full Consolidation
Varali Constructions Limited	100.00%	Full Consolidation
Varali Developers Limited	100.00%	Full Consolidation
Varali Infrastructure Limited	100.00%	Full Consolidation
Varali Properties Limited	100.00%	Full Consolidation
Varali Real Estate Limited	100.00%	Full Consolidation
Vindhyachal Buildwell Limited	100.00%	Full Consolidation
Vindhyachal Developers Limited	100.00%	Full Consolidation
Vindhyachal Infrastructure Limited	100.00%	Full Consolidation
Vindhyachal Land Development Limited	100.00%	Full Consolidation
Vonnie Real Estate Limited	100.00%	Full Consolidation
Zeus Builders And Developers Limited	100.00%	Full Consolidation
Zeus Buildwell Limited	100.00%	Full Consolidation
Zeus Estate Limited	100.00%	Full Consolidation
Zeus Properties Limited	100.00%	Full Consolidation
IBREL-IBL Scheme Trust	100.00%	Full Consolidation

**IREL has divested certain ownership percentage as on September 30, 2019.*

Name of Associates	Ownership as on 31 March 2019	Consolidation Approach
Indiabulls Properties Private Limited	50.00%	Full Consolidation
Indiabulls Real Estate Company Private Limited	50.00%	Full Consolidation
Indiabulls Realty Developers Limited	50.00%	Full Consolidation
Yashita Buildcon Limited*	100.00%	Full Consolidation
Ashkit Properties Limited*	100.00%	Full Consolidation
Concept International India LLP	50.00%	Full Consolidation

**IREL has divested certain ownership percentage as on September 30, 2019.*