

Press Release

Logix Buildtech Private Limited

October 26, 2020

Rating

Sl. No.	Instrument /Facility	Issue Date	Amount (Rs. Crore)	Tenure	Coupon Rate	Rating	Rating Action
1	Proposed NCD	To be decided	199.00	3 years	4% P.A. up to one year 4% to 8% P.A. -2 nd year onwards until maturity	IVR B+/Stable Outlook (IVR Single B plus with Stable Outlook)	Assigned
	Total		199.00		IRR-14% P.A.		

Details of Facilities are in Annexure 1

Detailed Rationale

The rating assigned to the non-convertible debentures of Logix Buildtech Private Limited (LBPL) derives comfort from its experienced promoters, reputed clientele and location advantage. The rating strengths are partially offset by susceptibility to cyclicalities inherent in the real estate sector and weak financial risk profile of the company.

Key Rating Sensitivities

Upward Factor

- Significant turnaround in operating performance with improvement in profitability metrics thereby leading to overall improvement in cash accruals.

Downward Factor

- Deterioration in profitability impacting the debt coverage indicators or liquidity, subdued industry scenario could lead to a negative rating action.
- Deterioration in capital structure
- Variation of more than 5% in key financial figures of audited financial statements from reported figures of provisional financial statements could trigger the negative rating action.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experience promoters

LBPL is promoted by Mr. Shakti Nath having vast experience of over two decades in real estate industry. LBPL is part of a Logix group based out of Delhi, formed in year 1997. The Logix group has completed development of over 4 million sq. ft. of IT spaces. Group has various renowned projects in its portfolio such as Logix park, Logix Techno park, Logix cyber park.

Reputed clientele

“Logix city centre” has developed the mall and office towers at sector-32, Noida. Logic city centre has reputed clientele reflected in the presence of renowned international and domestic brands in the client portfolio such as Big Bazaar, Max Lifestyle, Reliance Trends, Subway, Apple, US polo, Hush Puppies and various other brands imparting comfort towards the revenue visibility for the Mall building.

Locational Advantage

Logix city centre (LCC) is located at sector-32, Noida. LCC is located at the walking distance from Wave City Centre metro station. The project is just 30KM away from Indira Gandhi International Airport (IGI Airport). Project is in close proximity to prominent institutions such as Billabong High International School, Ryan International School, etc. major Hospitals such as Sumitra Hospital, Cancer India, Government hospital, District Government Multi-Speciality Hospital, Kailash Hospital, etc are also in the close proximity.

Key Weaknesses

Susceptibility to cyclicalities inherent in the Real Estate sector

The real estate sector is volatile in nature with an inherent liquidity risk associated to it. There may be fluctuations in cash flows due to delayed realization & changes in regulatory



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requirements. The uncertainty pertaining around Covid-19 also dent the demand of commercial as well as residential real estate demand.

Weak financial risk profile

The financial risk profile of the company remained weak marked by net cash loss due to subdued operating performance of the company in FY20. Company has reported leverage capital structure with overall gearing at 2.44x and total indebtedness reflected in TOL/TNW stood at 4.08x as on March 31, 2020. Further, company has reported shortfall in the accruals against the debt obligations indicating stretched position of the company to maintain its liquidity.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non-financial Sector)

Liquidity: Stretched

The liquidity position of the company is stretched marked by the subdued performance reported by the company for the current fiscal FY20. Further, LBPL's capacity to serve the debt obligations for the projected NCD is susceptible to the regular rental inflow and receipts from sale of offices. However, company has adequate amount of unsold inventory to liquidate and meet near term obligations. All the above factors indicate the stretched position of the liquidity of the company.

About the Company

Logix Buildtech Private Limited (LBPL), incorporated in year 2010, is part of the Logix group incorporated in year 1997, based out of New Delhi. Logix group has track record of completing more than 4 million sq. ft. of IT spaces. Company is engaged into construction, marketing and selling of real estate. LBPL has developed the mall with leasable area of 5.75 lac sq. ft. and corporate towers of area 5.08 lac sq. ft. Projected is located at Sector-32, Noida.

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Financials (Standalone):

(Rs. crore)

For the year ended*	31-03-2019	31-03-2020
	Audited	Provisional
Total Operating Income	107.24	91.85
EBITDA	34.43	56.10
PAT	28.53	-31.39
Total Debt	884.34	837.97
Tangible Net worth	377.93	343.72
EBITDA Margin (%)	32.11	61.07
PAT Margin (%)	14.05	-33.60

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (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.	Non- convertible debentures	Long Term	199.00	IVR B+/Stable	-	-	-

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:

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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. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. 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	Tenure	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Facilities- Proposed NCD	To be decided	4% P.A. up to one year 4% to 8% P.A. - 2 nd year onwards until maturity (IRR-14% P.A.)	3 years	199.00	IVR B+/ Stable