



Press Release

Equinox India Developments Limited (EMBDL)

formerly Indiabulls Real Estate Limited (IBREL)

July 29, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator (Simple/ Complex/ Highly complex)
Proposed Non-Convertible Debentures (NCDs)	120.00 (Enhanced from Rs. 50 Cr.)	IVR A-/ Rating Watch with Negative Implications (IVR Single A Minus placed under Rating Watch with Negative Implications)	IVR A-/ Rating Watch with Negative Implications (IVR Single A Minus placed under Rating Watch with Negative Implications)	Reaffirmed	Simple
Total	120.00 (Rupees One hundred and Twenty Crores Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the proposed Non-Convertible Debentures (NCDs) of Equinox India Developments Limited (EMBDL) after taking into account the preferential allotment of equity shares & warrants to marquee investors to the tune of ~₹3,911 Cr and assets acquisitions of ~₹1,853 Cr. which shall further improve the revenue and net worth of the company in the upcoming years. The rating also factors in decline in the operational performance as reflected in decline in the total area sold and pre-sales booking during FY24 as compared to FY23, significant net losses reported in FY24 mainly due to impairment provision of Rs. 629.07 Cr. Also, the ratings take into consideration the large amount of unrecognised revenue from inventory already sold, which shall be recognised in P&L upon receipt of OC as per the Ind-As Accounting Standard. The ratings also remain



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constrained due to high dependence on customer advances and cyclical nature of industry, subject to regulations.

The rating takes comfort from the adequate liquidity with cash and bank balance of Rs. 128.76 crores as of March 31, 2024. Further the ratings continue to derive strength from experienced management team, improving capital structure, availability of land bank and unsold inventory.

The Rating Watch with Negative Implications continues on account of ongoing merger proposal of certain assets of Embassy group with **EMBDL** and its likely impact on the credit risk profile of EMBDL. Infomerics will continue to monitor the developments in this regard and will resolve the watch once clarity emerges on the merger transaction.

Key Rating Sensitivities:

Upward Factors

- Reduced inventory with improved cash flow and revenue growth on a consistent basis will lead to positive rating action.

Downward Factors

- Any significant time & cost overrun in its ongoing projects.
- Slower than expected sales

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced management team

The operations of the company are professionally managed by competent personnel. The new management took control of the company under the leadership of Mr. Sachin Shah w.e.f. February 28, 2023. The board has appointed a new Chief Operating Officer, Chief Financial Officer and Group Compliance Officer and Company Secretary. The New Management is committed to have the highest level of transparency and Corporate Governance standards which will eventually increase the value of Stakeholders thereby EMBDL would continue benefiting from its existing competent management.



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Improving capital Structure

EMBDL'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 equity ratio moved from 0.84x as on March 31, 2020 to 0.11x as on March 31, 2024. The credit metrics are expected to improve further in the upcoming years. The Board of Directors of the company on April 5, 2024, approved a preferential allotment of equity shares & warrants of ~₹3,911 Cr & assets acquisitions of ~₹1,853 Cr. The preferential allotment is towards investors namely, Embassy Group ~Rs. 1,160 Cr (~Rs. 10 Cr in equity shares + ~Rs. 1,150 Cr in warrants), Baillie Gifford & Co. ~Rs. 209 Cr in equity shares, Blackstone Real Estate Fund: ~Rs. 1,235 Cr (~Rs. 375 Cr in equity shares + ~Rs. 860 Cr in warrants), other investors ~Rs. 1,243 Cr (~Rs. 425 Cr in equity shares + ~Rs. 819 Cr in warrants) and key managerial persons (KMP) ~Rs. 64 Cr in warrants. Further, the Board approved the acquisition of the assets namely, BLU Annex at Rs. 1,150 Cr., Embassy Eden at Rs. 466 Cr., Embassy Residency at Rs. 120 Cr. and Embassy East Avenue at Rs. 117 Cr. This shall further improve the revenue and net worth of the company in the upcoming years.

Availability of Land Bank and Unsold Inventory

The company through acquisitions and government allotments has created a sizeable land bank of 3206 acres spread across Mumbai, NCR, Chennai. This land bank is sufficient for proposed development over the next 5-7 years. From the above land bank, the company possesses 1655 acres of SEZ land in Nashik and Raigad, Maharashtra. As on April 26, 2024, total sold receivables stood at Rs.1,546 crore and unsold inventory of Rs. 11,966 crores, providing revenue visibility.

Key Rating Weaknesses

High Dependence on Customer Advances

The company primarily depends on advances received from its customers and external borrowings to fund its operations. With the strategy to reduce the total debt to zero, EMBDL's future operations would depend largely on the advances received from the customers. However, as per the principles of Ind AS 115; currently customer advances accounts to the



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entire collection made towards the projects are and remain pending to be recognized as revenue due to receipt of OC remaining pending.

Cyclical Nature of Industry; Subject to Regulations

Real estate industry is unorganized, localized, and subject to local and central regulations. The Indian real estate industry is highly cyclical with volatile cash flows. The sector is also subject to multiple regulatory approvals; thus, the timely receipt of regulatory approval is critical for the timely launches of new project phases and future sales/collections.

Analytical Approach: Consolidated

For arriving at the rating, Infomerics has used consolidated approach to analyse EMBDL and its subsidiaries as they are in the same line of businesses (real estate), under a common management. EMBDL operates by way of separate subsidiaries for its various projects. List of the subsidiaries consolidated is provided in Annexure 4.

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of companies](#)

Liquidity –Adequate

The company maintains moderate cash and bank balance to meet its liquidity requirements. Company recorded cash and cash equivalents of Rs. 128.76 Cr. The liquidity position looks adequate with the cash cover well above unity over FY25-FY27. The overall liquidity position of the company is Adequate.



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About the Company:

Equinox India Developments Limited (EMBDL) formerly Indiabulls Real Estate Limited (IBREL) incorporated on 04th April 2006, is engaged in real estate development, directly as well as through various subsidiaries as well as associate companies. The name and symbol of Indiabulls Real Estate Limited changed w.e.f. July 08, 2024, to Equinox India Developments Limited (EMBDL). EMBDL is primarily involved in construction and development of properties, project management, investment advisory and construction services.

Financials (Consolidated):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	586.77	413.80
EBITDA	-545.81	-428.11
PAT	-607.59	-1038.35
Total Debt	267.99	306.57
Tangible Net Worth	3594.64	2688.89
EBITDA Margin (%)	-93.02	-103.46
PAT Margin (%)	-93.70	-221.51
Overall Gearing Ratio (x)	0.07	0.11
Interest Coverage (x)	N.M.	N.M.

* Classification as per Infomerics' standards.

N.M.: Not meaningful

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Proposed Long Term Facilities – Proposed Term Loan	Long Term	-- (Reduced from Rs. 224.50 Cr.)	--	--	--	IVR AA-/ CWDI (Nov. 12, 2021) IVR A/ CWDI (Sept. 15, 2022) IVR A+/ CWDI



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Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
							(Sept. 22, 2022)
2.	Proposed NCDs	Long Term	120.00 (Enhanced from Rs. 50 Cr.)	IVR A-/ Rating Watch with Negative Implications	IVR A-/ Rating Watch with Negative Implications (Dec 07, 2023) IVR A/ Rating Watch with Negative Implications (June 07, 2023)	IVR A+/ Rating Watch with Negative Implications (Mar 31, 2023)	IVR AA-/ CWDI (Nov. 12, 2021) IVR A/ CWDI (Sept. 15, 2022) IVR A+ CWDI (Sept. 22, 2022)
3.	Long Term Facilities –NCD	Long Term	-- (Reduced from Rs. 150 Cr.)	--	--	--	IVR AA-/ CWDI (Nov. 12, 2021) IVR A/ CWDI (Sept. 15, 2022) IVR A+ CWDI (Sept. 22, 2022)
6.	Short Term Facilities – Commercial Paper	Short Term	-- (Reduced from Rs. 1000 Cr.)	--	--	--	IVR A1+/ CWDI (Nov. 12, 2021) IVR A1/ CWDI (Sept. 15, 2022) IVR A1+/ CWDI (Sept. 22, 2022)



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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Instrument/ Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Proposed NCDs	TBD.	--	12.50% per annum, payable at maturity	TBD.	120.00	IVR A-/ Rating Watch with Negative Implications

*TBD.: To be decided

Synopsis of the Term Sheet - Amount: INR 120 crores

Issuer	Equinox India Developments Limited (formerly known as Indiabulls Real Estate Limited)
Instrument	Senior, Secured, Non-Cumulative, Redeemable, Taxable, Rated, Unlisted Securities in the form of Non-Convertible Debentures (the "Debentures" or "NCDs" or New NCDs)
ISIN number	TBD.
Issue Size	INR 120,00,00,000/- (Rupee One Hundred and Twenty Crores Only) by Issuance of 1200 Senior, Secured, Non-Cumulative, Redeemable, Taxable, Rated, Unlisted Debentures of INR 10,00,000/- (Rupee Ten Lacs Only) Face Value Each
Coupon Rate	12.50% per annum, payable at Maturity.
Coupon Payment Frequency	On maturity
Coupon Type	Fixed

Annexure 2: Facility wise lender details: Not applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

Name of the Security	Detailed Explanation
	Financial Covenant
i.	Minimum DSCR to be maintained of 1.1x and Average DSCR to be maintained of 1.1x basis the gross collections on an aggregate basis from console cash flows
ii.	Minimum Security cover of 1.1x to be maintained throughout the tenure of the NCDs as defined below. Security cover shall be computed as ratio of (a) is to (b) below: a) Market Value of the Security Area b) Outstanding Amount minus balance in the NCD Servicing Account (Sold Receivables), NCD Servicing Account (New Sales), Master Collections account, RERA accounts, ISRA, Any permitted investments, etc.
	Non-financial Covenant
i.	Sponsor shall provide a Non-Disposal Undertaking (NDU) for their



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	shareholding
ii.	Sponsor shall undertake to not create any pledge/ encumbrance on its shareholding in the Issuer

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the company/Entity	Consolidation/ Combined Approach
Athena Land Development Limited	Full
Athena Builders and Developers Limited	Full
Athena Buildwell Limited	Full
Athena Infrastructure Limited	Full
Ceres Constructions Limited	Full
Ceres Estate Limited	Full
Ceres Infrastructure Limited	Full
Ceres Land Development Limited	Full
Ceres Properties Limited	Full
Diana Infrastructure Limited	Full
Diana Land Development Limited	Full
Fama Infrastructure Limited	Full
Fama Properties Limited	Full
Hermes Builders And Developers Limited	Full
Hermes Properties Limited	Full
Indiabulls Buildcon Limited	Full
Makala Infrastructure Limited	Full
Indiabulls Constructions Limited	Full
Indiabulls Lands Limited	Full
Ivonne Infrastructure Limited	Full
Indiabulls Estate Limited	Full
Indiabulls Commercial Estate Limited	Full
Indiabulls Engineering Limited	Full
Indiabulls Land Holdings Limited	Full
Indiabulls Infrastructure Projects Limited	Full
Indiabulls Commercial Properties Limited	Full
Manjola Infrastructure Limited	Full
Indiabulls Infraestate Limited	Full
Juventus Constructions Limited	Full
Juventus Land Development Limited	Full
Lucina Land Development Limited	Full
Nilgiri Infraestate Limited	Full
Nilgiri Infrastructure Development Limited	Full
Nilgiri Infrastructure Projects Limited	Full
Noble Realtors Limited	Full
Nilgiri Land Holdings Limited	Full
Nilgiri Lands Limited	Full
Nilgiri Land Development Limited	Full



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Name of the company/Entity	Consolidation/ Combined Approach
Nilgiri Infrastructure Limited	Full
Selene Constructions Limited	Full
Selene Infrastructure Limited	Full
Selene Land Development Limited	Full
Shivalik Properties Limited	Full
Sylvanus Properties Limited	Full
Triton Properties Limited	Full
Vindhyachal Land Development Limited	Full
Vindhyachal Infrastructure Limited	Full
Zeus Buildwell Limited	Full
Zeus Estate Limited	Full
Devona Properties Limited	Full
Sentia Real Estate Limited	Full
Sophia Real Estate Limited	Full
Sophia Constructions Limited	Full
Albina Real Estate Limited	Full
Airmid Properties Limited	Full
Albasta Properties Limited	Full
Varali Real Estate Limited	Full
Varali Constructions Limited	Full
Aurora Builders And Developers Limited	Full
Citra Properties Limited	Full
Apesh Real Estate Limited	Full
Apesh Properties Limited	Full
Corus Real Estate Limited	Full
Fornax Constructions Limited	Full
IB Holdings Limited	Full
Elena Properties Limited	Full
Elena Constructions Limited	Full
Fornax Real Estate Limited	Full
Indiabulls Multiplex Services Limited	Full
Sentia Developers Limited	Full
Sentia Constructions Limited	Full
Citra Developers Limited	Full
Devona Developers Limited	Full
Indiabulls Realty Company Limited	Full
Indiabulls Projects Limited	Full
Indiabulls Housing Developers Limited	Full
Lenus Properties Limited	Full
Lenus Constructions Limited	Full
Sentia Infrastructure Limited	Full
Sepset Developers Limited	Full
Devona Infrastructure Limited	Full
Varali Infrastructure Limited	Full



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Name of the company/Entity	Consolidation/ Combined Approach
Mariana Constructions Limited	Full
Indiabulls Housing And Land Development Limited	Full
Mariana Real Estate Limited	Full
Albasta Developers Limited	Full
Albasta Infrastructure Limited	Full
Albasta Real Estate Limited	Full
Angles Constructions Limited	Full
Lenus Infrastructure Limited	Full
Mariana Properties Limited	Full
Serida Properties Limited	Full
Mabon Constructions Limited	Full
Mabon Infrastructure Limited	Full
Indiabulls Industrial Infrastructure Limited	Full
Varali Properties Limited	Full
Apesh Constructions Limited	Full
IB Assets Limited	Full
Fama Builders And Developers Limited	Full
Juventus Infrastructure Limited	Full
Kailash Buildwell Limited	Full
Kaltha Developers Limited	Full
Nilgiri Buildwell Limited	Full
Serida Infrastructure Limited	Full
Ashkit Constructions Limited	Full
Vonnie Real Estate Limited	Full
Fama Land Development Limited	Full
Amadis Land Development Limited	Full
Karakoram Buildwell Limited	Full
Karakoram Properties Limited	Full
Aedos Real Estate Company Limited	Full
Lucina Estate Limited	Full
Triton Infrastructure Limited	Full
Vindhyachal Buildwell Limited	Full
Zeus Builders And Developers Limited	Full
Paidia Infrastructure Limited	Full
Fama Estate Limited	Full
Lucina Builders And Developers Limited	Full
Lorita Developers Limited	Full
Fama Construction Limited	Full
Lavone Builders And Developers Limited	Full
Juventus Properties Limited	Full
Lucina Buildwell Limited	Full
Lucina Properties Limited	Full
Selene Buildwell Limited	Full
Selene Properties Limited	Full



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Name of the company/Entity	Consolidation/ Combined Approach
Tefia Land Development Limited	Full
Vindhyachal Developers Limited	Full
Zeus Properties Limited	Full
Varali Developers Limited	Full
Platane Infrastructure Limited	Full
Triton Buildwell Limited	Full
Galium Builders And Developers Limited	Full
Linnet Infrastructure Limited	Full
Linnet Constructions Limited	Full
Linnet Developers Limited	Full
Linnet Real Estate Limited	Full
Linnet Properties Limited	Full
Edesia Constructions Limited	Full
Edesia Developers Limited	Full
Edesia Infrastructure Limited	Full
Lorena Developers Limited	Full
Lorena Builders Limited	Full
Lorena Infrastructure Limited	Full
Lorena Constructions Limited	Full
Lorena Real Estate Limited	Full
Parmida Properties Limited	Full
Majesta Developers Limited	Full
Majesta Infrastructure Limited	Full
Majesta Builders Limited	Full
Majesta Properties Limited	Full
Majesta Constructions Limited	Full
Nerissa Infrastructure Limited	Full
Nerissa Real Estate Limited	Full
Nerissa Developers Limited	Full
Nerissa Properties Limited	Full
Nerissa Constructions Limited	Full
Cobitis Real Estate Limited	Full
Tapir Constructions Limited	Full
Serpentes Constructions Limited	Full
Airmid Real Estate Limited	Full
Sepset Real Estate Limited	Full
Kenneth Builders & Developers Limited	Full
Catherine Builders & Developers Limited	Full
Bridget Builders and Developers Limited	Full
Dev Property Development Limited	Full
Brenformexa Limited	Full
Grand Limited (upto 21 July 2023)	Full
Ariston Investments Limited	Full
M Holdco 1 Limited	Full



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Name of the company/Entity	Consolidation/ Combined Approach
M Holdco 2 Limited	Full
M Holdco 3 Limited	Full
Navilith Holdings Limited	Full
Indiabulls Real Estate Limited - Employees Welfare Trust.	Full

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