



Press Release

Indiabulls Infraestate Limited (ILL)

August 28, 2023

This is with reference to the Press Release dated March 31, 2023. The revised PR stands as follows:

Detailed explanation of covenants of the rated instrument/facilities as per the regulator guidelines.

Link to the press release dated March 31st, 2023 published on Infomerics' website:

<https://www.infomerics.com/admin/uploads/pr-IndiabullsInfraestate-31mar23.pdf>

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term – Non - Convertible Debentures (INE741X07051)	0.00 (Decreased from 4.50)	-	Withdrawn*	Simple
Long Term – Non - Convertible Debentures (INE741X07069)	0.00 (Decreased from 15.00)	-	Withdrawn*	Simple
Total		-		

*Withdrawn on account of full redemption

Detailed Rationale, Key Rating Drivers, and Detailed description of the key rating drivers

Infomerics has withdrawn IVR A+(CE)/RWDI (IVR A Plus [Credit Enhancement] Ratings under watch with developing implications) rating (s) assigned to Non – Convertible Debentures (NCDs) of Indiabulls Infraestate Limited with immediate effect at the request of the company as the NCDs are fully redeemed.

Detailed Rationale

The rating is withdrawn in accordance with Infomerics' policy on withdrawal. Link to the withdrawal policy is provided below:

[https://www.infomerics.com/policies-and-procedures-details/policy-on-withdrawal\[1\]of-rating](https://www.infomerics.com/policies-and-procedures-details/policy-on-withdrawal[1]of-rating)



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Applicable Criteria:

[Criteria of assigning rating outlook](#)

[Policy on withdrawal of ratings](#)

About the Company

Incorporated in January 2007, Indiabulls Infraestate Limited (IIL) is a wholly owned subsidiary of Indiabulls Real Estate Limited (IBREL). Presently, it is engaged into developing a residential township project named as 'Indiabulls BLU Estate & Club' which is spread over 10.00 acres of area in the Southern part of Mumbai. The total saleable area of the launched project is ~28.32 lakh sq. feet. It consists of 5 towers, of which 4 have received its OC, ~98% of the 4 towers (Tower A to D) has been sold, while the 5th (Tower E) is in the early stages of construction and is expected to be completed by launched by June 2023.

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

Any other information:

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years							
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2020-21	
1.	Non-Convertible Debentures	Long Term	0.00 (Reduced from 19.50)	Withdrawn	IVR A+(CE)/RWDI 18 Jan 2023	IVR AA-(CE)/RWDI 6 Jun 2022	IVR AA-(CE)/RWDI 7 Feb 2022	IVR AA-(CE)/RWDI 29 Dec 2021	IVR AA-(CE)/RWDI 15 Nov 2021	Nil 30 Dec 2020	Nil 08 Oct 2020	
2.	Propose Non-Convertible	Long Term	- (Reduced from Rs)	-	Withdrawn	IVR AA-(CE)/RWDI	IVR AA-(CE)/RWDI	IVR AA-(CE)/RWDI	IVR AA-(CE)/RWDI	Nil	Nil	



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Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years							
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2020-21	
	Debentures		406.00)		18 Jan 2023	6 Jun 2022	7 Feb 2022	29 Dec 2021	15 Nov 2021	30 Dec 2020	08 Oct 2020	
								RWDI	RWDI			
3.	Non-Convertible Debentures	Long Term	-	-	-	-	-	-	-	Withdrawn	IVR AA-(CE)/RWDI	
4.	Non-Convertible Debentures	Long Term	-	-	-	-	-	-	-	Withdrawn	IVR AA-(CE)/RWDI	
	Total		0.00									

Name and Contact Details of the Rating Analyst:

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International



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Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information 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.

Annexure 1: Details of Facilities:

Name of Facility/ Instrument	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Non-Convertible Debentures	INE741X07051	March 25, 2022	11.50%	July 11, 2023	0.00	Withdrawn*
Non-Convertible Debentures	INE741X07069	July 11, 2022	11.50%	July 11, 2023	0.00	Withdrawn*

*Withdrawn on account of full redemption

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:



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Name of the Instrument		Detailed Explanation
Financial Covenant		
i.	Borrower level Financial Covenants	<ul style="list-style-type: none"> 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 both from the Sold Units and Unsold Inventory. Minimum Security cover of 2.00x 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: <ul style="list-style-type: none"> 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. Debenture Trustee shall appoint an Independent Valuer as per the requisite guidelines for submission of the Valuation Report on an Annual Basis starting from 1st June 2022.
ii.	Corporate Guarantor Financial Covenants	<ul style="list-style-type: none"> Net Debt to Equity of Corporate Guarantor shall be < 4
Non-financial Covenant		
i.	Rating related Covenants	<p>In case the Rating of the Instrument is downgraded, the Coupon will be stepped up by 25 bps for each notch of such downgrade and such revised coupon shall be applicable for the period such downgrade continues. The coupon would be reduced by 25 basis points for each notch of subsequent upgrade such that the coupon shall not at any time be less than the coupon rate on the deemed date of allotment.</p> <p>In case the Rating of the Instrument and/ or the rating of the Guarantor is downgraded by 3 (three) notches from the respective outstanding rating at the Deemed Date of Allotment, then the investors will have an option to ask for Accelerated Redemption of the Debentures. In case the Debenture Holders exercise this right, then Issuer shall have to pay the outstanding amount along with accrued interest within 60 days from such notice.</p> <p>In case of ratings from multiple agencies, the lowest rating shall be considered for both increase in Coupon in case of Downgrades and Acceleration in Redemption in case of 3 (three) notch downgrade.</p>
ii.	Information Covenant	<p>Issuer shall provide the following information to the Debenture Trustee</p> <ol style="list-style-type: none"> Quarterly Sales report and Collection report within 60 days from end of each quarter



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Name of the Instrument		Detailed Explanation
		<p>2. Monthly Bank Statement of Project Master Collection Account and NCD Servicing Accounts both Old Receivables and New Sales within 3 working days from end of each month</p> <p>3. Monthly Details of the Conditional NOC for Sale taken from the Debenture Trustee within 3 working days from the end of each month.</p> <p>4. Details of Permitted Expenditure made in each quarter within 60 days from end of each quarter</p> <p>5. Audited financials within 180 days from end of each financial year</p> <p>6. Unaudited/ Provisional financials (including Cash Flow Statement) within 60 days from end of each quarter</p> <p>List of all Litigations within 7 days from end of each half year</p>
iii	Negative Covenants	<ul style="list-style-type: none"> • Issuer cannot avail any further financial indebtedness on the Issuer Company throughout the tenor, without prior approval from Debenture Trustee. The Debenture Trustee shall seek approval of 2/3rd Debenture Holders prior to issuance of such NOC for further indebtedness by the Issuer. • Restrictions on any dividends/share-buyback/capital reduction or any other form of cash out from the Issuer if any Event of Default has occurred and is continuing, • Restrictions on payment of intercompany debt either from the Parent or any group company of the Guarantor if any Event of Default has occurred and is continuing. • Change of Control of the Issuer not permitted without prior approval of Debenture Trustee • Sponsor shall provide a Non-Disposal Undertaking (NDU) for their shareholding. <p>Sponsor shall undertake to not create any pledge/ encumbrance on its shareholding in the Issuer.</p>
iv	Guarantor Covenant	<p>In case Merger Event herein above defined doesn't consummate, the Issuer and the Corporate Guarantor undertake that the same shall not result any Material Adverse Effect on the Issuer and/or the Corporate Guarantor.</p> <p>In case the Merger Event doesn't consummate and it results into Material Adverse Effect on the Issuer and/or Corporate Guarantor, the Debenture Trustee shall have an Option to Accelerated Payment of the NCDs subject to 2/3rd majority of the Debenture holders in favor of such Acceleration.</p>

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.