



Rating Rationale

Vipul IT Infracsoft Pvt Ltd

31st March 2017

Brickwork Ratings revises rating to BWR C- for the bank loan facilities amounting to Rs 35.13 Crs of Vipul IT Infracsoft Pvt Ltd

Particulars:

Limits Rated	Amount (Rs Crs)	Amount (Rs Crs)	Tenure	Ratings*	
	Previous	Present #		Previous	Present
Fund based: O/S Term Loans	52.20	35.13	Long term	BWR C [Pronounced BWR C]	BWR C- [Pronounced BWR C Minus] (Downgraded)
Total	52.20	35.13	INR Thirty Five Crores and Thirteen Lakhs Only		

#Annexure I shows details of bank loan facilities

*For definitions of the rating symbol please visit our website www.brickworkratings.com

Rating Downgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financials upto FY16, publicly available information and information/ clarifications provided by the Company's management.

The revision of rating has factored, inter alia, significant decline in revenue in FY16, sluggish sales of the Business Park, overall weak financial performance of the Company marked by erosion of net worth, below average debt protection metrics, very high gearing levels, & weak cash flows to debt position and increased liquidity pressure marked by irregularities in the loan accounts during the last year. The rating, however, draws support from the established track record of the promoter in the real estate business and successful completion of the 'Logix Technova' project.

Going forward, the Company's ability to find prospective buyers for the left over space in the Business Park and generate enough revenues to meet its debt obligations in a timely manner would be the key rating sensitivities, while any delays or defaults in payments will be negative for the rating.

About the Company

Vipul IT Infracsoft Pvt Ltd, a subsidiary of Logix Soft-Tel Pvt Ltd, was established in March 2006. The Company is a Group entity of Logix Group and has its registered office in New Delhi. The IT/ Business Park known as "Logix Technova" has been developed by "Vipul IT Infracsoft Pvt Ltd" in Sector 132, Noida. The IT Park was initially developed for renting out space to IT Companies. However, in 2011, management shifted to "Construct and sell" model. The Building/ Park completion certificate was obtained on April 24th, 2013. The Company already has all the approvals/ licenses in place. As of March

31, 2016, approximately 80% of the total area constructed (4,59,280 Sq Ft) has been sold to various corporates and individuals.

Logix Group, established in Noida in 1997, is primarily into the business of providing the infrastructure facilities to IT/ ITES industry, by way of buildings, complying with the required standards. The Group has established more than 25 such facilities and completed more than 4 million sq feet of IT facilities. The Group has also forayed into residential and commercial segments. All the projects are executed by separate SPVs with the group controlling the equity. Logix Park, Logix Techno Park, Logix Technova and Logix Cyber Park are some of the major projects relating to IT/ITES in Noida, developed, owned and maintained by Logix group. Logix Buildtech Pvt Ltd (Runs an integrated Commercial Hub named “Logix City Centre”; rated BWR B (SO) (Stable)), Logix Soft-Tel Pvt Ltd (Runs an IT Park named “Logix Park”; rated BWR B- (Stable)), Noida Cyber Park Pvt Ltd, V.C. Solutions Pvt Ltd, IT Enfrservice Pvt Ltd, Logix Buildcon Pvt Ltd, Logix Buildwell Pvt Ltd, Logix Infrastructure Pvt Ltd, Logix City Developers Pvt Ltd and Logix Infrastructures Projects Pvt Ltd are some of the Group concerns.

Mr. Shakti Nath is the promoter Director. He has a total experience of more than 15 years in the field of real estate development. Mrs. Meena Nath and Mr Vikram Nath are the other directors.

Financial Performance

Revenues declined to Rs 36.95 Crs in FY16 from Rs 53.28 Crs in FY15. The Company reported profits of Rs 1.43 Crs in FY16 as compared to net losses of Rs 0.34 Crs in FY15.

Rating History for the last three years:

Sl. No.	Instrument/ Facility	Current Rating (2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016* 20th Dec 2016	2015* 8 th July 2015	2014
1	Fund based Limits	Long term	35.13	BWR C- [Downgraded]	Rating Not Reviewed	BWR C (Outlook: Stable) [Reaffirmed]	Not Rated

*Amount Rated: Rs 52.20 Crs

Note: Initial rating of BWR C was assigned for bank loan facilities of Rs 67.20 Crs on 8th Nov 2013

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)



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Vipul IT Infrasoftware Pvt Ltd

Bank wise break up
Annexure I

Nature of Facilities	Bank Name	Sanctioned TL (Rs Cr)	Amount disbursed so far (Rs Cr)	Outstanding TL (Rs Cr)
Term Loan	Syndicate Bank	33.00	32.90	11.45
Term Loan	Vijaya Bank	33.00	32.90	11.68
Term Loan	Canara Bank	34.00	33.90	12.00
Total		100.00	99.70	35.13

For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.



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