



Press Release

County Projects Private Limited

November 16, 2022

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	60.42	IVR BBB-/ Stable (IVR Triple B Minus; with Stable Outlook)	Assigned	Simple
Total	60.42	Rupees Sixty Crore and Forty Two Lakhs Only		

Details of Facilities are in Annexure 1

Detailed Rationale

Infomerics Valuation and Rating Private Limited (IVR) has assigned long term rating of IVR BBB- with a Stable outlook for the bank loan facilities of County Projects Private Limited (CPPL).

The rating factors in the established track record of the group and experienced management, favourable location and project status. However, these strengths are partially offset by project implementation risk, geographic and project concentration risk and inherent risk of the industry along with intense competition.

The 'Stable' outlook is on account of sales of commercial units expected to follow the projected trajectory. Also, due to increase in demand for all segments augur well as property is one of the conventional and safe ways for investments. The market sentiments and economic conditions have started improving.

IVR has principally relied on the standalone audited financial results of CPPL upto 31 March 2022, and projected financials for FY2023, FY2024 and FY2025, and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Substantial improvement in the sales and collections in the ongoing projects
- Timely completion of project
- Timely servicing of debt obligations
- Sustenance of the gearing

Downward Factors

- Deterioration in debt protection metrics and overall gearing above 1.00x
- Significant cost overrun and delay in completion of projects
- Slowdown in saleability of the ongoing projects resulting in collections lower than expected



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established track record of the group and experienced management:**
CPPL belongs to ABA Corp group which has successfully completed and delivered 4 projects in Delhi, National Capital Region (NCR) through other group real estate companies like ABA Builders Limited, County Infrastructures Private Limited, IV County Private Limited etc. IVR believes that CPPL will get benefitted from the established track record of the group to complete the project on time as well as sale of inventory. The company is promoted by Agrawal and Ramsisaria family. The promoters have more than two decades of experience in real estate business. They are ably supported by qualified and well experienced management team. The promoters have already infused 100.00% of their estimated contribution in the project which reflects their commitment towards timely completion of the project.
- **Favorable location:**
The company project is strategically located in Northwest Delhi. The strategic location of the project and the group's reputation provides comfort for the execution and marketability of the project. Also, the project is having connectivity with airport, railway, roads and metro line.
- **Project status:**
CPPL is currently executing a commercial project by the name County Courtyard in Netaji Subhash Place, Pitampura, New Delhi which has a saleable area of 6 lakh square feet comprising of two towers of office park cum commercial space. Each tower will have G+22 floors with 3 level of basement parking. The total number of units to be sold in both towers are 784 units out of which around 400 units are booked. The company had incurred approximately 60.39% of the aggregate project cost till September 30, 2022. On the sales front, CPPL has sold about 41% of the total saleable area till September 30, 2022. The sales consideration from the ongoing project is Rs. 900.00 crore against which it has received Rs. 43.73 crore as customer advances translating into 12.49% of sales consideration of sold units. The unsold inventory of all provides revenue visibility in the medium term. The promoters have infused own funds to the tune of Rs. 461.44 crore till 30th September 2022.

Key Rating Weaknesses

- **Project implementation risk:**
The project is currently under construction and scheduled for completion of both towers' construction by December 2025 as per RERA. Company's ability to execute projects as per schedule is highly dependent external factors like timely receipt of regulatory



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approvals along with customer advances and promoters' contribution which forms major portion of the total funding requirement of the project.

- **Geographic and project concentration risk:**

The company is exposed to geographic concentration as most of their projects are in Delhi, NCR real estate market. Any adverse movement in the NCR real estate market may adversely impact the sales and collections of the company.

- **Inherent risk of the industry along with intense competition:**

The company is exposed to the cyclical nature inherent in an intensely competitive real estate sector, which could result in fluctuations in cash inflows because of volatility in saleability. This may impact the debt servicing ability of the company. Further, CPPL will remain susceptible to the inherent cyclical nature in the real estate sector. There is intense competition from the regional players.

Analytical Approach: For arriving at the ratings, INFOMERICS has applied its rating methodology as detailed in the rating criteria below. IVR has analysed CPPL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

[Rating Methodology for Real Estate Entities](#)

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

[Criteria for Assigning Rating Outlook](#)

Liquidity – Adequate

The liquidity of the company is adequate which is majorly supported by means of customer advances and promoters' contribution thereby reducing dependence on debt. The company has received around Rs. 43.73 crore from the customers for the booked inventory as on 30th September 2022 which has a sale value of Rs. ~350 crore, however the future sales realizations and advances are expected to support the liquidity. The cash and bank balance stood at Rs. 95.58 crore as on 30th September 2022. Further, the company is also likely to benefit from the resourcefulness of the promoters.



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About the Company

County Projects Private Limited (CPPL) was incorporated in June 2014 under the leadership of Mr. Puspahas Agrawal (Managing Director) and Mr. Ramawtar Ramsisaria (Chairman) who has more than two decades of experience in real estate sector. The company is closely held by Agrawal and Ramsisaria family.

It is currently developing a commercial project by the name County Courtyard in Netaji Subhash Place, Pitampura, New Delhi which has saleable area of 6 lakh square feet comprising of two towers of office park cum commercial space. Each tower will comprise of G+22 floors with 3 level of basement parking. The project is RERA approved which provides security against the completion and timely delivery.

Financials (Standalone):

(Rs. crore)

For the year ended as on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	0.00	0.00
EBITDA	-0.66	-2.73
PAT	0.11	1.32
Total Debt	299.95	528.54
Tangible Networth	4.54	103.03
EBITDA Margin (%)	NM	NM
PAT Margin (%)	NM	NM
Overall Analyzed Gearing Ratio* (x)	0.47	0.16

*Includes interest free unsecured loan from promoters

NM-Not meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Type of Instrument/Facility	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Fund Based	Long Term	60.42	IVR BBB-/Stable (Assigned)	-	-	-



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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 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, suspend 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	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	March 2025	60.42	IVR BBB-/Stable

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



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Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-County-Projects-nov22.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

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