



## Press Release

### County Projects Private Limited

**December 27, 2023**

#### **Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b>Complexity Indicator</b>
Long Term Bank Facilities	233.24	IVR BBB-/ Negative (IVR Triple B Minus with Negative Outlook)	IVR BBB-/ Stable (IVR Triple B Minus; with Stable Outlook)	Reaffirmed and Revision in Outlook	Simple
Short Term Bank Facilities	10.00	IVR A3 (IVR A Three)	-	Assigned	Simple
<b>Total</b>	<b>243.24</b>	<b>Rupees Two Hundred Forty Three Crore and Two Four Lakhs Only</b>			

**Details of Facilities are in Annexure 1**

#### **Detailed Rationale**

Infomerics Valuation and Rating Private Limited (IVR) has reaffirmed long term rating of IVR BBB- with revision in outlook to Negative and assigned short term rating of 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 outlook is expected to remain negative in the medium term on account of deterioration in cash flow coverage ratio from projected numbers shared in previous year as compared to revised cash flow coverage ratio in current year.

IVR has principally relied on the standalone audited financial results of CPPL upto 31 March 2023, and projected financials for FY2024, FY2025 and FY2026, 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

##### **Downward Factors**



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- Deterioration in debt protection metrics and overall gearing above 0.80x
- Significant cost overrun and delay in completion of project.
- Slowdown in saleability of the ongoing projects resulting in collections lower than expected

### 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 benefit 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 invested 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 (Wing A and Wing B) 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 is 784 units out of which around 259 units are booked. The company had incurred approximately 65.79% of the aggregate project cost till October 31, 2023. On the sales front, CPPL has sold about 33% of the total saleable area till October 31, 2023. The sales consideration from the ongoing project is Rs. 900.00 crore against which it has received Rs. 59.73 crore as customer advances translating into 31.11% 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. 269.15 crore till 31st October 2023.

#### Key Rating Weaknesses



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- **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 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. 59.73 crore from the customers for the booked inventory as on 31st October 2023 which has a sale value of Rs. ~280 crore, however the future sales realizations and advances are expected to support the liquidity. The cash and bank balance stood at Rs. 9.50 crore as on 31st March 2023. Further, the company is also likely to benefit from the resourcefulness of the promoters.

**About the Company**



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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	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	0.00	0.00
EBITDA	-2.73	-1.80
PAT	1.32	0.63
Total Debt	528.54	383.13
Tangible Networth	103.03	103.68
EBITDA Margin (%)	NM	NM
PAT Margin (%)	NM	NM
Overall Analyzed Gearing Ratio* (x)	0.16	0.64

\*Includes interest free unsecured loan from promoters

**NM**-Not meaningful

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Not Applicable

### Rating History for last three years:

Sr. No.	Type of Instrument/Facility	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 16 Nov 2022	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Fund Based	Long Term	233.24	IVR BBB-/ Negative (Reaffirmed)	IVR BBB-/Stable	-	-



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2.	Non-Fund Based	Short Term	10.00	IVR A3 (Assigned)	-	-	-

### Name and Contact Details of the Rating Analyst:

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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 visit [www.infomerics.com](http://www.infomerics.com).

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### 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	33.24	IVR BBB-/Negative
Term Loan	-	-	March 2026	100.00	IVR BBB-/Negative
Term Loan	-	-	December 2026	100.00	IVR BBB-/Negative
BG/LC	-	-	-	10.00	IVR A3

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

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/len-county-dec23.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](#).