

Press Release

Cititech Township Private Limited (CTPL)

May 18, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs.7.11 Cr
Short Term Rating	SMERA A4 (Assigned)

*Refer Annexure for details

Rating Rationale

SMERA has assigned the short-term rating to '**SMERA A4**'(read as SMERA A four) on Rs.7.11 crore bank facilities of Cititech Township Private Limited (CTPL). The outlook is '**Stable**'.

Cititech Township Private Limited (CTPL) was incorporated in the year 2007 by Mr. Vikas Gotewala, Mr. Sanjeev Khokher, Mr. Ramchander Khokher and Mr. Ankit. The company is engaged in the business of real estate development in Karnal, Haryana.

List of Key Rating Drivers and their detailed description

Strengths:

Experienced promoters: Karnal, Haryana based Cititech Township Private Limited (CTPL) was incorporated in 2007 by Mr. Vikas Gotewala, Mr. Sanjeev Khokher, Mr. Ramchander Khokher and Mr. Ankit have long standing experience of a decade of experience in the real estate industry.

Advanced stage of construction: The project Cititech Township is in advance stage of construction as more than ~87 percent of the land development has been completed. However, the execution and successful sale of the land from Assandh Dist., Karnal would be key rating factor as any delays would impinge the future cash flow of the company. The total project cost is Rs.45.00 crore and the total development cost incurred till 28 Feb 2017 is Rs.39.00 crore.

Weaknesses:

Moderate level of booking and advance received: SMERA notes that the company has received moderate bookings of ~42 percent of total area against which the company has received the advance of Rs. 10.71 crore till Feb 2017.

Competitive and Slowdown in the real estate sector: Real estate is a highly competitive industry due to presence of multiple players and other projects in the vicinity which results in intense competition from both the organised as well as unorganised players.

Analytical approach: The team has considered standalone approach towards financial and business risk profile of the company

Applicable Criteria

- Infrastructure Entities: <https://www.smerra.in/criteria-infra.htm>
- Application of Financial Ratios and Adjustments: <https://www.smerra.in/criteria-fin-ratios.htm>
- Default Recognition: <https://www.smerra.in/criteria-default.htm>

About the Project

The company is currently engaged in development of integrated residential plotted township namely Cititech township, Haryana. The developing includes constructing wall fencing, sewage line and partition of land and selling the residential plots to various clients. The company is currently, located in Assandh, Dist Karnal and spread over 26.44 acres. CTPL has already completed 87 percent construction of lands. The total cost of the project is at Rs.45.00 crore expected to be funded through promoter owned fund, capital of Rs.2.50 crore, unsecured loan of Rs. 11.19 crore and customer advances of Rs.10.71 crore.

About the Rated Entity

Karnal, Haryana, CTPL was incorporated in the year 2007 by Mr. Vikas Gotewala, Mr. Sanjeev Khokher, Mr. Ramchander Khokher and Mr. Ankit. The company is engaged in the business of Real Estate development in Karnal, Haryana.

The net worth of the company stood at Rs.2.05 crore as on March 31, 2016 against Rs.2.05 crore a year earlier.

Status of non-cooperation with previous CRA (if applicable): Not Applicable

Any other information: Not Applicable

Rating History for the last three years:

Name of Instrument /Facilities	2017 (Current)			FY2016		FY2015		FY2014	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Bank Guarantee	S T	7.11	SMERA A4 (Assigned)	-	-	-	-	-	-

*Annexure - Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/ Outlook
Bank Guarantee	N.A	N.A	N.A	7.11	SMERA A4 (Assigned)

Note on complexity levels of the rated instrument:

<https://www.smera.in/criteria-complexity-levels.htm>

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ABOUT SMERA

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