

Press Release

Cititech Township Private Limited

June 25, 2018

Rating Reaffirmed



Total Bank Facilities Rated*	Rs. 7.11 Cr.
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuite has reaffirmed short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.7.11 crore bank facilities of Cititech Township Private Limited (CTPL).

Cititech Township Private Limited (CTPL) was incorporated in 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).

About the Project

The company is currently engaged in development of integrated residential plotted township, namely, Cititech Township in Haryana. The development includes constructing wall fencing, sewage line and partition of land and selling the residential plots to various clients. The ongoing project is currently, located in Assandh (Dist. Karnal) and is spread over 26.44 acres. CTPL has already completed 80 percent of construction of lands. The total cost of the project is Rs.60.74 crore expected to be funded through promoters owned fund capital of Rs.2.05 crore, unsecured loan of Rs.19.34 crore, customer advances and receipts from projects of Rs.39.35 crore.

Key Rating Drivers

Strengths

• Experienced management

The promoters have long standing experience of over a decade in the real estate industry.

• Advanced stage of construction

The project Cititech Township is in an advanced stage of construction as more than ~80 percent of the land development has been completed. However, the execution and successful sale of the land at Assandh district would be key rating factor as any delays would impinge the future cash flow of the company. The total project cost is Rs.60.74 crore and the total cost incurred till 15 June, 2018 is Rs.31.56 crore.

Weaknesses

• Moderate level of booking and advance received

Acuite has noted that the company has received moderate bookings of 60 plots of total 200 plots that are 30.00 percent of total plots to be sold against which the company has received the advance of Rs.10.17 crore and previous receivables is of Rs.18.00 crore till 15 June, 2018.

• Competition 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

Acuite has considered a standalone approach towards financial and business risk profile of CTPL to arrive at this rating.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	-	-	-
EBITDA	Rs. Cr.	-0.09	-0.17	-0.22
PAT	Rs. Cr.	-0.26	-0.20	-0.07
EBITDA Margin	(%)	NA	NA	NA
PAT Margin	(%)	NA	NA	NA
ROCE	(%)	0.26	-0.01	-0.41
Total Debt/Tangible Net Worth	Times	9.43	9.21	14.77
PBDIT/Interest	Times	0.21	0.06	NA
Total Debt/PBDIT	Times	NA	NA	NA
Gross Current Assets (Days)	Days	NA	NA	NA

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
18-May-2017	Bank Guarantee	Short Term	7.11	ACUITE 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	Not Applicable	Not Applicable	Not Applicable	7.11	ACUITE A4 (Reaffirmed)

Contacts

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About Acuite Ratings & Research:

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