

May 28, 2025

## Theme County Private Limited: Rating assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund based –Term loan <sup>^</sup>	100.0	[ICRA] BBB- (Stable); assigned
<b>Total</b>	<b>100.0</b>	

<sup>^</sup>Proposed \*Instrument details are provided in Annexure I

### Rationale

The rating assigned to the bank facilities of Theme County Private Limited (TCPL) factors in the healthy sales velocity for its project, Ivory County, leading to comfortable cash flow adequacy<sup>1</sup> and adequate collections. TCPL has opened for sale 75% of the total saleable area of 6.30 msf in its Ivory County project and 77% of these units have been sold as of December 2024. This, along with adequate construction progress, led to an estimated increase in collections by 28-31% in FY2025, which are likely to remain adequate in FY2026. The cash flow adequacy ratio is comfortable at 82% as of December 2024, driven by healthy committed receivables of Rs. 2,707 crore against pending cost of Rs. 3,304 crore and nil external outstanding debt. The debt protection metrics are expected to be healthy as of March 2025 and March 2026, backed by adequate cash flow from operations and minimal dependence on external debt. The rating notes the County Group's established project execution and delivery track record in the NCR market, the favourable location of the ongoing project, Ivory County, which enhances saleability. The promoters have around three decades of experience in the real estate development and the Group has delivered more than 14 msf of area across residential and commercial projects.

The rating is, however, constrained by the nascent stage of construction, which exposes the firm to high execution risk. As of December 2024, only 25% of the total project cost has been incurred. The company is also exposed to moderate market risks as it has unsold inventory of around 42% of the total saleable area. Further, the company is expected to launch one new project over the next 3-4 months, exposing it to market, funding and execution risks. The cost to be incurred on the upcoming project will majorly be funded through customer advances, hence timely sales and collections for the upcoming project will be a key monitorable. The company's portfolio is also exposed to geographical concentration risk due to projects primarily being in the Noida/Ghaziabad region. Moreover, being a cyclical industry, the residential real estate sector is highly dependent on macroeconomic factors, which exposes its sales to any downturn in demand and competition within the region from various established developers.

The Stable outlook on TCPL's rating reflects ICRA's opinion that the company will benefit from the expected healthy sales velocity backed by favourable location, which, along with adequate construction progress is likely to lead to increase in collections while maintaining limited reliance on external debt.

### Key rating drivers and their description

#### Credit strengths

**Healthy improvement in collections along with comfortable debt protection metrics:** TCPL had healthy sales velocity for its project Ivory County, leading to comfortable cash flow adequacy and adequate collections. TCPL has opened for sale 75% of the total saleable area of 6.30 msf in its Ivory County project and 77% of these units have been sold as of December 2024. This, along with adequate construction progress, led to an estimated increase in collections by 28-31% in FY2025 which are likely to

<sup>1</sup>Cash flow adequacy ratio = Committed receivables/(Pending cost+ Debt outstanding)

remain adequate in FY2026. The cash flow adequacy ratio is comfortable at 82% as of December 2024, driven by healthy committed receivables of Rs. 2,707 crore against pending cost of Rs. 3,304 crore and nil external outstanding debt. The debt protection metrics are expected to be healthy as of March 2025 and March 2026, backed by adequate cash flow from operations and minimal dependence on external debt.

**Favourable location of project:** The County Group's established project execution and delivery track record in the NCR market, and the favourable location of the ongoing project Ivory County at Sector 115, Noida, add comfort to the rating. The project's proximity to the Noida expressway and Sector 51 metro station, enhances its saleability.

**Extensive experience of promoters in real estate development:** The promoters have around three decades of experience in real estate development and the Group has delivered more than 14 msf of area across residential and commercial projects.

### Credit challenges

**Exposure to market and execution risks:** The project's nascent stage of construction exposes the firm to high execution risk. As of December 2024, only 25% of the total project cost has been incurred. The company is also exposed to moderate market risks as it has unsold inventory of around 42% of the total saleable area.

**Exposure to funding risks:** The company is expected to launch one new project over the next 3-4 months, exposing it to market, funding and execution risks. The cost to be incurred on the upcoming project will majorly be funded through customer advances, hence timely sales and collections for the upcoming project will be key monitorable factors.

**Susceptibility to cyclicity in real estate sector and geographic concentration risk:** The company's portfolio is also exposed to geographical concentration risk due to the projects being in the Noida/Ghaziabad region. Moreover, being a cyclical industry, the residential real estate sector is highly dependent on macroeconomic factors, which exposes its sales to any downturn in demand and competition within the region from various established developers.

### Environmental and social risks: NA

### Liquidity position: Adequate

The company's liquidity position is expected to remain adequate, supported by adequate cash and bank balances of Rs. 110.1 crore as of December 2024, along with Rs. 221.14 crore of balance in fixed deposits. Further, the company's cash flow from operations is expected to be sufficient to service their debt repayment obligations in FY2026.

### Rating sensitivities

**Positive factors** – The rating may be upgraded, if there is a significant improvement in sales and collections, resulting in considerable improvement in cash flow from operations and liquidity position while maintaining comfortable debt protection metrics.

**Negative factors** – Negative pressure on the rating could arise, if there is delays in project execution, slowdown in sales, decline in collections or significant cost overrun and/or significant debt-funded investments in new projects resulting in deterioration in debt protection metrics

<sup>1</sup>Cash flow adequacy ratio = Committed receivables/(Pending cost+ Debt outstanding)

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Realty – Commercial/Residential/Retail</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the company's standalone financial statements

## About the company

Theme County Private Limited was incorporated in July 2022. It is a part of the County Group which has interests in real estate with over 30 years of experience. At present, it is developing a residential-cum-commercial project namely Ivory County in Sector-115, Noida, Uttar Pradesh. The Ivory County is spread over 29 acres of land. The project is being developed in three phases, wherein each phase will be a standalone real-estate project. All the phases are being developed at the same time. The project will have 23 towers with a saleable area of 63.08 lsf. The project is registered under RERA. The project commenced construction in July 2023 and Phase 1 is expected to be completed in July 2028 and the remaining two phases by December 2029.

## Key financial indicators (audited)

Company name (consolidated)	FY2023	FY2024
Operating income	0.00	0.00
PAT	1.14	1.06
OPBDIT/OI	-	-
PAT/OI	-	-
Total outside liabilities/Tangible net worth (times)	654.19	565.04
Total debt/OPBDIT (times)	-1717.86	-142.26
Interest coverage (times)	-0.23	-51.38

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	May 28, 2025	Date	Rating	Date	Rating	Date	Rating
Term Loan*	Long-term	100.0	[ICRA] BBB-(Stable)	-	-	-	-	-	-

\*Proposed

<sup>1</sup>Cash flow adequacy ratio = Committed receivables/(Pending cost+ Debt outstanding)

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan*	Simple

*\*Proposed*

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

<sup>1</sup>Cash flow adequacy ratio =  $\text{Committed receivables} / (\text{Pending cost} + \text{Debt outstanding})$

**Annexure I: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Proposed Term loan	-	-	-	100	[ICRA] BBB- (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis- Not Applicable**

<sup>1</sup>Cash flow adequacy ratio = Committed receivables/(Pending cost+ Debt outstanding)

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<sup>1</sup>Cash flow adequacy ratio = Committed receivables/(Pending cost+ Debt outstanding)

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