

December 04, 2017

Kwality Township Private Limited

Summary of rated instruments

Instrument [^]	Rated Amount (Rs. crore)	Rating Action
LT-Fund-based Limits	5.0	[ICRA]D; ISSUER NOT COOPERATING*; Rating moved to the 'Issuer not Cooperating' category
Total	5.0	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-1

Rating action

ICRA has moved the ratings for the Rs. 5.0 crore bank facilities of Kwality Township Private Limited to the 'Issuer Not Cooperating' category. The rating is now denoted as: "[ICRA]D; ISSUER NOT COOPERATING"

Rationale

The rating is based on limited or no updated information on the entity's performance since the time it was last rated in June, 2016. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating does not adequately reflect the credit risk profile of the entity. The entity's credit profile may have changed since the time it was last reviewed by ICRA; however, in the absence of requisite information, ICRA is unable to take a definitive rating action.

As part of its process and in accordance with its rating agreement with KTPL, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information, and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

Credit Strengths

- The promoters of the company have a healthy track record in the real estate business, having developed project by the name ARK City in the same area and also their experience in the real estate underwriting business

Credit Challenges

- Irregularities in debt servicing track record as indicated by the banker

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[Corporate Credit Rating Methodology](#)

[Policy in respect of non-cooperation by the rated entity](#)

About the firm:

Incorporated in 2009, KTPL develops housing projects and townships and undertook its first township project, "ARK City" in 2009. In this project located in Meerut, Uttar Pradesh, the company sold 300 plots and is developing single storey and duplex houses on another 100 plots as row houses. KTPL commenced the construction of its second project "ARK Residency", Meerut, in 2012. This is a mixed use project, comprising 72 commercial units and 45 residential units. The total project cost is estimated at Rs. 19.72 crore, which is proposed to be funded by customer advances (40%), promoter's contribution (35%) and debt (25%).

Key Financial Indicators

	FY2015	FY2016
	Audited	Audited
Operating Income (Rs. crore)	NA	NA
PAT (Rs. crore)	NA	NA
OPBDIT/ OI (%)	NA	NA
RoCE (%)	NA	NA
Total Debt/ TNW (times)	NA	NA
Total Debt/ OPBDIT (times)	NA	NA
Interest coverage (times)	NA	NA
NWC/ OI (%)	NA	NA

OI: Operating Income; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ROCE: PBIT/Avg (Total Debt + Tangible Net-Worth + Deferred Tax Liability - Capital Work - in Progress);
NWC: Net Working Capital

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years:

Table:

S.No	Name of Instrument	Current Rating (FY 2018)			Chronology of Rating History for the past 3 years	
		Type (long term/ Short term)	Rated amount (Rs. crore)	Month-year & Rating	Month- year & Rating in FY2017	Month- year & Rating in FY2015
				December 2017	June 2016	September 2014
1	Term Loan	LT	5.0	[ICRA]D; ISSUER NOT COOPERATING*	[ICRA]D	[ICRA]B+

*Issuer did not cooperate; based on best available information

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in



Annexure-1
Instrument Details

Name of the instrument	Date of issuance ^	Coupon rate ^	Maturity Date ^	Size of the issue	Current Rating and Outlook
Term Loan	NA	NA	March, 2017	5.0	[ICRA]D; ISSUER NOT COOPERATING*;

Source: KTPL

*Issuer did not cooperate; based on best available information

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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