

March 21, 2017

## KG Foundations (P) Limited

Instrument <sup>^</sup>	Amount (in crore)	Amount Outstanding as on March 31, 2016 (in crore)	Rating Action*
Long term - unallocated	20.00	NA	Reaffirmed at [ICRA]BB- (Stable)
<b>Total</b>	<b>20.00</b>		

\* Issuer did not co-operate; Based on best available information.

<sup>^</sup>Instrument Details captured under Annexure-1

**Rating Action:** ICRA has reaffirmed the long term rating assigned to the Rs. 20.00 crore<sup>1</sup> unallocated limits of KG Foundations (P) Limited (KGFPL)<sup>†</sup>.

As part of its process and in accordance with its rating agreement with KGFPL, ICRA has been trying to seek information from the company so as to undertake a surveillance of the ratings, but despite repeated requests by ICRA, the company's management has remained non-cooperative. In the absence of requisite information, ICRA's Rating Committee has taken a rating view based on best available information. In line with SEBI's *Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016*, the company's rating is now denoted as: "[ICRA]BB- (Stable) ISSUER NOT COOPERATING". The lenders, investors and other market participants may exercise appropriate caution while using this rating, given that it is based on limited or no updated information on the company's performance since the time it was last rated.

### **Analytical approach:**

For arriving at the ratings, ICRA has taken into account the banker's feedback on the debt servicing track record of KGFPL, its business risk profile, financial risk drivers and management profile.

### **Links to applicable Criteria**

[Corporate Credit Ratings: A Note on Methodology](#)

### **About the Company:**

KG Foundations (P) Limited, incorporated in 2005, is a real estate developer based out of Chennai. The KG Group, promoted by Mr. Kishore Kumar Gokaldas, has been involved in real estate development since 1980 and has been one of the early entrants in the Chennai real estate space. As on date, the company and the promoters have together completed 140 projects (excluding construction contracts), with a cumulative built up area exceeding 10 million sq ft. In the past, though the operations of the company were largely confined to Chennai, it has recently been focusing on projects in Kochi. The company currently has six ongoing projects and 4 proposed projects with a cumulative saleable area of close to 5 million square feet. The company has reputed brand strength in Chennai real estate market due to the longstanding presence and this has been established through several awards and recognitions given by various agencies over the years. The company is one of the earliest recipients of ISO 9001:2008.

<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>†</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.

**Rating History for last three years:**

S.No	Name of Instrument	Current Rating			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 FY2016	Month- year & Rating in FY2015	Month- year & Rating in FY2014
				March 2017	-	May 2014	-
1	Unallocated	LT	20.00	[ICRA]BB-(Stable)	-	[ICRA]BB-(Stable)	-

**Note on complexity levels 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](http://www.icra.in)



**\*Annexure-1**

**Details of Instrument**

<b>Name of the instrument</b>	<b>Date of issuance ^</b>	<b>Coupon rate ^</b>	<b>Maturity Date ^</b>	<b>Size of the issue</b>	<b>Current Rating and Outlook</b>
Long term – Unallocated	NA	NA	NA	20.00	[ICRA]BB- (Stable)

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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.

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