

August 25, 2020

## Fairyland Foundations Private Limited : Continues to remain in Non-Cooperating category, Rating downgraded based on best available information

### Summary of rated instruments

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term- Unallocated	10.00	10.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	

<sup>\*</sup>Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in [Annexure-1](#)

### Rationale

The rating is downgraded because of lack of adequate information regarding Fairyland Foundations Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Fairyland Foundations Private Limited, 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.

The previous detailed rating rationale is available on the following link: [Click here](#)

### About the company:

Fairyland Foundation Private Limited is a real estate company operating in Tamil Nadu. Fairyland was started as a partnership concern by Mr. T.N. Vijaykumar and Mr. S. Saravanan in 2000 and later in 2005 it was converted into a private limited company. The company has till date completed 21 residential projects with a total saleable area of ~5.8 Lakh sq ft. All the projects are located in Chennai and Coimbatore in Tamil Nadu. The construction for the projects is completed in house and Mr. T. N. Vijayakumar who is a civil engineer with more than 15 years in the construction industry heads the execution team. Mr. S. Saravanan has been in the real estate industry for more than 12 years and he leads the marketing team and is also in charge of identification of new projects for development.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

## Key Financial Indicators:

Fiscal	FY2018 (Audited)	FY2019 (Provisional)
Operating Income (Rs. Crore)	27.0	24.9
PAT (Rs. Crore)	0.5	0.3
OPBIT/ OI (%)	13.8%	5.1%
RoCE (%)	26.3%	7.4%
Total Debt/ TNW (times)	1.1	0.7
Total Debt/ OPBDIT (times)	2.2	4.3
Interest coverage (times)	1.4	2.2
NWC/ OI (%)	40.6%	40.8%

Source: MCA Site

## Rating history for past three years

All figures in Rs. Crores

S. No.	Instrument	Current Rating (FY2021)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated	Amount Outstanding	Date & Rating	Date & Rating in FY2020	Date & Rating in FY2019	Date & Rating in FY2018
					25-Aug-20	31-May-19	15-Mar-19	20-Nov-17
1	Unallocated	Long Term	10.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)

\*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](http://www.icra.in)

## Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Unallocated	-	-	-	10.00	[ICRA]B+(stable); ISSUER NOT COOPERATING

Source: *Fairyland Foundations Private Limited*

## Analyst Contacts

**Ravichandran K**

+91 44 4596 4301

[ravichandran@icraindia.com](mailto:ravichandran@icraindia.com)

**Srinivasan R**

+91 44 4596 4315

[r.srinivasan@icraindia.com](mailto:r.srinivasan@icraindia.com)

**Sahabuddin Khan**

+91 033 7150 1129

[sahabuddin.khan@icraindia.com](mailto:sahabuddin.khan@icraindia.com)

**Sruthi Vinesh**

+91 080 4922 5513

[sruthi.vinesh@icraindia.com](mailto:sruthi.vinesh@icraindia.com)

## Relationship Contact

**Jayanta Chatterjee**

+91 80 4332 6401

[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

### Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

### 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](http://www.icra.in)

## ICRA Limited

### Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: [info@icraindia.com](mailto:info@icraindia.com)

Website: [www.icra.in](http://www.icra.in)

### Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

### Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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