Press Release

Kences Constructions Private Limited

September 18, 2017

Rating Update

Total Bank Facilities Rated*	Rs. 32.00 Cr. #
Long Term Rating	SMERA BB+ Issuer not co-operating*

 # Refer Annexure for details
** The issuer did not co-operate; Based on best available information.*

SMERA has reviewed long-term rating of '**SMERA BB+**' **(read as SMERA BB plus)** on the Rs. 32.00 crore bank facilities of Kences Constructions Private Limited. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

• Default Recognition - https://www.smera.in/criteria-default.htm

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

Kences Constructions Private Limited (KCPL), part of the Kences Group was incorporated in 2001 by Mr. K. Narasa Reddy and family. The company is engaged in real estate development and runs 'Fortune Kences' a hotel at Tirupati. KCPL began construction of Kences Resort at Mahabalipuram, Chennai in FY2015 at a total project cost of around Rs.15.00 crore. The company is also developing a residential project 'Kences Woods' at Kotturpuram, Chennai.

For FY2014-15, KCPL reported profit after tax (PAT) of Rs.1.07 crore on operating income of Rs.17.72 crore, compared with PAT of Rs.2.58 crore on operating income of Rs.20.00 crore a year earlier. The net worth stood at Rs.73.50 crore (including unsecured loan of Rs.14.93 crore) as on 31 March, 2015 against Rs.68.72 crore (including unsecured loan of Rs.11.20 crore) a year earlier.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
17-Jun-2016	Secured Overdraft	Long Term	INR 25	SMERA BB+ / Stable

	Secured Overdraft	Long Term	INR 7	SMERA BB+ / Stable

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	25.00	SMERA BB+ Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	SMERA BB+ Issuer not co-operating*

**The issuer did not co-operate; Based on best available information.*

Contacts

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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities, and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits etc.. For more details, please visit www.smera.in.