



## Press Release

### Sri Mahabaleshwara Enterprises

October 15, 2018

### Rating Update

<b>Total Bank Facilities Rated</b>	Rs. 8.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB- Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4+ Issuer not co-operating*

# Refer Annexure for details

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

### Rating Rationale

Acuite has reviewed long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs. 8.00 crore bank facilities of Sri Mahabaleshwara Enterprises (SME). This rating is now an indicative rating and is based on best available information.

### Non-cooperation by the issuer/borrower

Acuite 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 Acuite's policies.

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-8.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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### About the Rated Entity

SME, a proprietorship firm was established in 1998 by Mr. Mahabaleshwara Bhat. The firm provides manpower recruitment services to government authorities and private companies. Based out of Bangalore, the firm has around 2000 people. Sri Mahabaleshwara Human Resources Services Private Limited, incorporated in 2017 plans to take over the existing business of SME.

The firm reported profit after tax (PAT) of Rs.1.80 crore on net sales of Rs.39.39 crore in FY2017 (Provisional) as against PAT of Rs.0.34 crore on net sales of Rs.29.89 crore in FY2016. The net worth stood at Rs.2.38 crore as on 31 March, 2017 (Provisional) compared to Rs.2.29 crore in the previous year.

### Any other Information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Status of non-cooperation with previous CRA (if applicable)

None

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
10-Aug-2017	Secured Overdraft	Long Term	3.50	ACUITE BB- / Stable (Assigned)
	Bank Guarantee	Short Term	1.50	ACUITE A4+ (Assigned)
	Proposed Secured Overdraft	Long Term	1.50	ACUITE BB- / Stable (Assigned)
	Proposed Bank Guarantee	Short Term	1.50	ACUITE A4+ (Assigned)

### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE BB- Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE A4+ Issuer not co-operating*
Proposed Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE BB- Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE A4+ Issuer not co-operating*

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

### Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 <a href="mailto:aditya.gupta@acuute.in">aditya.gupta@acuute.in</a>  Rupesh Patel Analyst - Rating Operations Tel: 02249294032 <a href="mailto:rupesh.patel@acuiteratings.in">rupesh.patel@acuiteratings.in</a>	Varsha Bist Manager - Rating Desk Tel: 022-67141160 <a href="mailto:rating.desk@acuute.in">rating.desk@acuute.in</a>

**About Acuite Ratings & Research:**

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