

Press Release
Saab Engineering

September 17, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 54.57 Cr.#
Long Term Rating	ACUITE BBB- Issuer not co-operating*
Short Term Rating	ACUITE A3 Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short term rating of **ACUITE A3** (**read as ACUITE A three**) on the Rs.54.57 crore bank facilities of Saab Engineering (SE). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: Acuité 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

Saab Engineering (SE) is a Bengaluru-based partnership firm established in 1989 by Mr. Ajay Balagopal and Mr. Sanjiv Balagopal. The firm was established to take over the existing business of Precision Engineering, a proprietorship concern set up in 1986 by Mr. Ajay Balagopal. SE manufactures automotive components including alternator pulleys, spark plug housings, and sintered gears among others at Bangalore and has total installed capacity of 960 tonnes per month. It caters to automobile companies in Bangalore, Pune and Chennai and also exports to Spain, Germany, Brazil, Romania, South Africa, Argentina to name a few.

For FY2016-17, SE reported profit after tax (PAT) of Rs. 7.59 crore (Provisional) on operating income of Rs. 119.46 crore as against PAT of Rs. 6.04 crore on operating income of Rs. 106.09 in the previous year. The networth stood at Rs. 25.48 crore (Provisional) as on 31st March, 2017 as against Rs. 16.46 crore in the previous year.

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

None

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
16-Aug-17	Cash Credit	Long term	16.00&	ACUITE BBB- / Stable (Assigned)
	Term loans	Long term	3.21	ACUITE BBB- / Stable (Assigned)
	PC/PCFC	Short Term	1.00**	ACUITE A3 (Assigned)
	Purchase bill discounting	Short Term	4.00^	ACUITE A3 (Assigned)
	Term loans	Long term	9.00#	ACUITE BBB- / Stable (Assigned)
	Term loans	Long term	5.00*	ACUITE BBB- / Stable (Assigned)
	Term loans	Long term	5.00*	ACUITE BBB- / Stable (Assigned)
	Bank guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A3 (Assigned)
	Foreign Currency Term Loan	Long term	4.40	ACUITE BBB- / Stable (Assigned)
	Term loans	Long term	0.17	ACUITE BBB- / Stable (Assigned)
	Term loans	Long term	3.61	ACUITE BBB- / Stable (Assigned)
	Term loans	Long term	0.87	ACUITE BBB- / Stable (Assigned)
	Proposed	Long term	1.31	ACUITE BBB- /

				Stable (Assigned)
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& includes sub-limit ODBD to the extent of Rs.8.00 crore

**Fully Interchangeable with FBE (purchase/discount/negotiate of export bill)

^Fully interchangeable with cash credit

#Fully interchangeable with FCNR (Bank) Loan

*Fully interchangeable with FCNR (Bank) Loan, Buyer's Credit and Capex letter of credit

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	16.00&	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	3.21	ACUITE BBB- Issuer not co-operating*
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	1.00**	ACUITE A3 Issuer not co-operating*
Purchase bill discounting	Not Applicable	Not Applicable	Not Applicable	4.00^	ACUITE A3 Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	9.00#	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	5.00*	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	5.00*	ACUITE BBB- Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A3 Issuer not co-operating*
Foreign Currency Term Loan	Not Applicable	Not Applicable	Not Applicable	4.40	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.17	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	3.61	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.87	ACUITE BBB- Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	1.31	ACUITE BBB- Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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