

## Press Release

### Saab Engineering

April 13, 2020

### Rating Update



<b>Total Bank Facilities Rated</b>	Rs. 75.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB+ (Downgraded from ACUITE BBB- /Stable) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

# Refer Annexure for details

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

Acuite has reviewed and downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.75.00 crore bank facilities of Saab Engineering. This rating is now an indicative rating and is based on best available information.

Saab 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. The firm manufactures automotive components including alternator pulleys, spark plug housings and sintered gears, among others at Bengaluru and has total installed capacity of 1070 tonnes per month. It caters to automobile companies in Bengaluru, Pune and Chennai and also exports to Spain, Germany, Brazil, Romania, South Africa and Argentina to name a few.

#### 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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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 endeavored 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 - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

#### Any other information

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

**Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
31-Jan-2019	Cash Credit**	Long Term	18.00	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan	Long Term	0.76	ACUITE BBB-/ Stable (Reaffirmed)
	Packing Credit**	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Bills Discounting^	Short Term	11.50	ACUITE A3 (Reaffirmed)
	Term Loan#	Long Term	7.64	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan*	Long Term	3.99	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan*	Long Term	4.19	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan	Long Term	3.20	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan	Long Term	0.09	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan	Long Term	1.96	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan	Long Term	0.52	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan	Long Term	5.34	ACUITE BBB-/ Stable (Reaffirmed)
	Bank Guarantee**	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Proposed Long Term Loan	Long Term	17.81	ACUITE BBB-/ Stable (Reaffirmed)
05-Nov-2018	Cash Credit**	Long Term	18.00	ACUITE BBB-/ Stable (Reaffirmed)
	Packing Credit**	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	1.50	ACUITE BBB-/ Stable (Reaffirmed)
	Bills Discounting^	Short Term	4.00	ACUITE A3 (Reaffirmed)
	Term Loan#	Long Term	9.00	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan*	Long Term	5.00	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan*	Long Term	5.00	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan	Long Term	4.40	ACUITE BBB-/ Stable (Reaffirmed)
	Bank Guarantee**	Short Term	1.00	ACUITE A3 (Reaffirmed)

	Term Loan	Long Term	0.17	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan	Long Term	3.61	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan	Long Term	0.87	ACUITE BBB-/ Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	3.02	ACUITE BBB-/ Stable (Reaffirmed)
17-Sep-2018	Cash Credit**	Long Term	16.00	ACUITE BBB- (Indicative)
	Term Loan	Long Term	3.21	ACUITE BBB- (Indicative)
	Packing Credit**	Short Term	1.00	ACUITE A3 (Indicative)
	Bills Discounting^	Short Term	4.00	ACUITE A3 (Indicative)
	Term Loan#	Long Term	9.00	ACUITE BBB- (Indicative)
	Term Loan*	Long Term	5.00	ACUITE BBB- (Indicative)
	Term Loan*	Long Term	5.00	ACUITE BBB- (Indicative)
	Bank Guarantee**	Short Term	1.00	ACUITE A3 (Indicative)
	Term Loan	Long Term	4.40	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.17	ACUITE BBB- (Indicative)
	Term Loan	Long Term	3.61	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.87	ACUITE BBB- (Indicative)
	Proposed Long Term Loan	Long Term	1.31	ACUITE BBB- (Indicative)

\*\*Cash Credit facility is Fully Interchangeable with FBE (purchase/discount/negotiate of export bill), Packaging Credit, Bank Guarantee and maximum utilisation is Rs.18.00 crore

^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. Cr.)	Ratings
Cash Credit**	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.76	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
Packing Credit**	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*

Purchase Bill Discounting <sup>^</sup>	Not Applicable	Not Applicable	Not Applicable	11.50	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Term Loans <sup>#</sup>	Not Applicable	Not Applicable	Not Applicable	7.64	ACUITE BB+ (Downgraded from ACUITE BBB- /Stable) Issuer not co-operating*
Term Loans <sup>*</sup>	Not Applicable	Not Applicable	Not Applicable	3.99	ACUITE BB+ (Downgraded from ACUITE BBB- /Stable) Issuer not co-operating*
Term loans <sup>*</sup>	Not Applicable	Not Applicable	Not Applicable	4.19	ACUITE BB+ (Downgraded from ACUITE BBB- /Stable) Issuer not co-operating*
Foreign Currency Term Loan	Not Applicable	Not Applicable	Not Applicable	3.20	ACUITE BB+ (Downgraded from ACUITE BBB- /Stable) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	0.09	ACUITE BB+ (Downgraded from ACUITE BBB- /Stable) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	1.96	ACUITE BB+ (Downgraded from ACUITE BBB- /Stable) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	0.52	ACUITE BB+ (Downgraded from ACUITE BBB- /Stable) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	5.34	ACUITE BB+ (Downgraded from ACUITE BBB- /Stable) Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	17.81	ACUITE BB+ (Downgraded from ACUITE BBB- /Stable) Issuer not co-operating*
Bank Guarantee <sup>**</sup>	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

**\*\*Cash Credit facility is Fully Interchangeable with FBE (purchase/discount/negotiate of export bill), Packaging Credit, Bank Guarantee and maximum utilisation is Rs.18.00 crore**

**<sup>^</sup>Fully interchangeable with cash credit**

**<sup>#</sup>Fully interchangeable with FCNR (Bank) Loan**

**<sup>\*</sup> Fully interchangeable with FCNR (Bank) Loan, Buyer's Credit and Capex letter of credit**

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

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## About Acuité Ratings & Research:

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