

Press Release

Balaji Industrial and Agricultural Castings Private Limited

February 15, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.00	ACUITE B Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	15.00	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	23.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE B**' (**read as ACUITE B**) and the short-term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs.23.00 Cr. bank facilities of Balaji Industrial and Agricultural Castings Private Limited. The rating is being flagged as an 'Issuer Not-Cooperating' based on the best available information.

About the Company

Hyderabad based Balaji Industrial and Agricultural Castings Private Limited (Balaji) was established in 1978 by Mr Padmanabhayya as a partnership firm. In 2013, it was converted into a private limited company. Balaji is engaged in construction activities for various Government Departments of State of Andhra Pradesh, Telangana, Tamil Nadu, Bihar, among others. They are mainly into construction and implementation of water supply projects, construction of canals and other civil works. It was initially engaged in the installation of hand pumps, construction of roads, buildings and construction of canals among others.

About the Group

Sai Babuji Projects Private Limited (Babuji) is a Telangana-based entity incorporated in the year 2011 by Mr. M. Sreekanth and his family. It is engaged in supply, installation and commissioning of solar water pumping systems under rural water supply schemes in Andhra Pradesh.

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

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 has endeavored 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.

Rating Sensitivities

No information provided by the issuer/available for Acuité to comment upon.

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer/available for Acuité to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials:

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

Status of non-cooperation with previous CRA

Not Applicable

Any other information

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

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Dec 2020	Bank Guarantee	Short Term	7.00	ACUITE A4 (Downgraded from ACUITE A4+)
	Term Loan	Long Term	0.56	ACUITE B Stable (Assigned)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Downgraded from ACUITE A4+)
	Cash Credit	Long Term	5.60	ACUITE B Stable (Downgraded from ACUITE BB- Stable)
	Proposed Bank Facility	Long Term	0.48	ACUITE B Stable (Downgraded from ACUITE BB- Stable)
	Term Loan	Long Term	1.36	ACUITE B Stable (Assigned)
	Proposed Bank Guarantee	Short Term	5.00	ACUITE A4 (Downgraded from ACUITE A4+)
06 Sep 2019	Proposed Bank Guarantee	Short Term	5.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Bank Guarantee	Short Term	7.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Proposed Bank Facility	Long Term	2.40	ACUITE BB- Stable (Upgraded from ACUITE B Stable)
	Cash Credit	Long Term	5.60	ACUITE BB- Stable (Upgraded from ACUITE B Stable)
17 Aug 2018	Cash Credit	Long Term	5.60	ACUITE B Stable (Assigned)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Assigned)
	Bank Guarantee	Short Term	9.00	ACUITE A4 (Assigned)
	Proposed Bank Guarantee	Short Term	3.00	ACUITE A4 (Assigned)
	Proposed Bank Facility	Long Term	2.40	ACUITE B Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Central Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Central Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.60	ACUITE B Reaffirmed Issuer not co-operating*
Central Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.48	ACUITE B Reaffirmed Issuer not co-operating*
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	0.56	ACUITE B Reaffirmed Issuer not co-operating*
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.36	ACUITE B Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Bhavani sankar Oruganti Senior Analyst-Rating Operations Tel: 022-49294065 bhavanisankar.oruganti@acuite.in	

About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.