



Press Release

Sri Mahabaleshwara Human Resources Services Private Limited
August 23, 2024

Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.50	ACUITE B Downgraded Issuer not co-operating*	-
Bank Loan Ratings	3.50	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	8.00	-	-

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE B' (read as ACUITE B)** from '**ACUITE B+ (read as ACUITE B plus)**' and reaffirmed the short term rating of '**ACUITE A4' (read as ACUITE A four)**' on the Rs.8.00 crore bank facilities of Sri Mahabaleshwara Human Resources Services Private Limited (SMPL) on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Karnataka based, Sri Mahabaleshwara Human Resources Services Private Limited (SMPL) was incorporated in 2017 to take over the existing business of a group firm named Sri Mahabaleshwara Enterprises (SME), which was incorporated in 1998 by Mr. Mahabaleshwara Bhat. The company provides manpower recruitment services to government authorities and private companies.

About the Group

Acuité has considered the consolidated business and financial risk profile of Sri Mahabaleshwara Human Resources Services Private Limited (SMPL) and Sri Mahabaleshwar

Enterprises (SME) to arrive at the rating on account of takeover of SME by SMPL. Karnataka based, Sri Mahabaleshwara Human Resources Services Private Limited (SMPL) was incorporated in 2017 to take over the existing business of a group firm named Sri Mahabaleshwara Enterprises (SME), which was incorporated in 1998 by Mr. Mahabaleshwara Bhat. The company provides manpower recruitment services to government authorities and private companies. Sri Mahabaleshwara Enterprises (SME) was established in the year 1989 as a proprietorship concern by Mr. Mahabaleshwara Bhat. Based out of Bangalore, the firm is engaged in providing manpower to various government authorities and private companies.

Unsupported Rating

Not Applicable

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 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 Acuité's policies.

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 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 ratings is based.

About the Rated Entity - Key Financials

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

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of

the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 May 2023	Proposed Cash Credit	Long Term	4.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	3.50	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
25 Feb 2022	Proposed Cash Credit	Long Term	4.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	3.50	ACUITE A4 (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.50	ACUITE A4 Reaffirmed Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.50	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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.

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