

## Press Release

M Babu Reddy

October 21, 2021



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs.130.00 Cr. #
<b>Long Term Rating</b>	ACUITE B+ (Downgraded; Issuer not co-operating*)

# Refer Annexure for details

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

### Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE B+** (read as **ACUITE B 'Plus'**) from '**ACUITE BB-**' (read as **ACUITE double B 'Minus'**) on the Rs.130.00 Cr bank facilities of M Babu Reddy (MBR). This rating is an indicative rating and is based on the best available information.

### About the Company

M Babu Reddy comprises of two firms, proprietorship concern established in 1994 and a HUF Firm established in 2011 (MBR Firms). Mr. M Babu Reddy, Mr. B Bharath and Mr. B Sharath are the partners of the firms. These firms are based in Bangalore, Karnataka. MBR Firms are engaged in lease rentals, real estate infrastructure, which includes integrated high-value infrastructure properties including IT Parks, industrial and commercial infrastructure, hotels, residential condominiums and premium villas. Presently, the firm is engaged in leasing commercial space.

### 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.

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

### Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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 has 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.

### Liquidity Indicators

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

### Rating Sensitivity

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

### 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)**

None

**Any other information**

Acuité 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
14 August, 2020	Term Loan	Long Term	128.97	ACUITE BB-/ Stable (Assigned)
	Proposed Facility	Long Term	1.03	ACUITE BB-/ Stable (Assigned)

**\*Annexure – Details of instruments rated**

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Canara Bank	Term Loan	Not Available	Not Available	31-Aug-2034	128.97	ACUITE B+ (Downgraded; Issuer not co-operating*)
Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.03	ACUITE B+ (Downgraded; Issuer not co-operating*)

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

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**About Acuité Ratings & Research:**

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