

## 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

Acuite 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

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 the due date.

Acuite 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 Acuite'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). Acuite has endeavoured 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.

### 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:**

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.

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