



**Press Release**  
**M BABU REDDY**  
**June 30, 2025**

**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	130.00	ACUITE B   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	130.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

\* 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 Bf) from 'ACUITE B+' (read as ACUITE B plus) on the Rs. 130.00 crore bank facilities of M Babu Reddy (MBR) 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**

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.

**About the Group**

M Babu Reddy comprises of two firms, proprietorship concern established in 1994 and a HUF Firm established in 2011 (MBR 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 firms are engaged in leasing commercial space and developing a hotel (Brickfield Hotel) under separate partnership firm 'MBR Group' at Tirupati, Andhra Pradesh.

**Unsupported Rating**

Not Applicable

**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 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.

### **Limitation regarding information availability**

This rating is based on information available from sources other than the issuer / borrower (in the absence of

information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

**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

## Key Financials

Particulars	Unit	FY 20 (Provisional)	FY 19 (Actual)
Operating Income	Rs. Cr.	19.51	18.40
PAT	Rs. Cr.	8.91	11.38
PAT Margin	(%)	45.68	61.84
Total Debt/Tangible Net Worth	Times	1.40	1.31
PBDIT/Interest	Times	3.07	3.64

### 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. Acuité'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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Apr 2024	Term Loan	Long Term	128.97	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	1.03	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
12 Jan 2023	Term Loan	Long Term	128.97	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	1.03	ACUITE B+ (Reaffirmed & Issuer not co-operating*)

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

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.03	Simple	ACUITE B   Downgraded   Issuer not co-operating* ( from ACUITE B+ )
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Aug 2034	128.97	Simple	ACUITE B   Downgraded   Issuer not co-operating* ( from ACUITE B+ )

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

## 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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