

Press Release

Balaji Engineering

September 14, 2018

Rating Update



Total Bank Facilities Rated	Rs. 12.50 Crore#
Long Term Rating	ACUITE D Issuer not co-operating*
Short Term Rating	ACUITE D Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed long term rating of '**ACUITE D' (read as ACUITE D)** and short term rating of '**ACUITE D' (read as ACUITE D)** to the bank facilities of Balaji Engineering (BE). This rating is now an indicative rating and is based on best available information.

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Manufacturing Entities - <https://www.acuite.in/criteria-manufacturing.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.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 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.

About the Rated Entity:

The Tamil Nadu-based, BE was established in 2013 is a partnership firm engaged in the manufacturing of stoneware pipes at Vriddhachalam. BE procures raw materials from local vendors in Tamil Nadu and Karnataka. The firm caters to construction companies in Tamil Nadu, Karnataka and Andhra Pradesh. The day-to-day operations are led by Mr. Ramanathan. The annual production capacity stands at 18,000 MT.

For FY2016-17 (Provisional), BE reported profit after tax (PAT) of Rs.0.01 crore on operating income of Rs.10.97 crore compared with PAT of Rs.0.03 crore on operating income of Rs.12.84 crore in the previous year. The net worth stood at Rs.3.76 crore as on 31 March, 2017 (Provisional) compared to Rs.3.73 crore in the previous year.

Any other information:

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

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
08-Jul-2017	Cash Credit	Long Term	4.00	ACUITE D (Suspension Revoked, Rating Assigned)
	Term Loan	Long Term	7.50	ACUITE D (Suspension Revoked, Rating Assigned)
	Letter of credit	Short Term	1.00	ACUITE D (Suspension Revoked, Rating Assigned)
16-Dec-2016	Cash Credit	Long Term	2.00	ACUITE B/Stable (Suspended)
	Term Loan	Long Term	7.50	ACUITE B/Stable (Suspended)
	Letter of credit	Short Term	1.00	ACUITE A4 (Suspended)
11-Sept-2015	Cash Credit	Long Term	2.00	ACUITE B/Stable (Assigned)
	Term Loan	Long Term	7.50	ACUITE B/Stable (Assigned)
	Letter of credit	Short Term	1.00	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE D (Indicative)
Term Loan	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE D (Indicative)
Letter of credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE D (Indicative)

Contacts

Analytical	Rating Desk
Aditya Gupta Head – Corporate and Infrastructure Sector Tel: 022-67141191 aditya.gupta@acuute.in Salome Farren Analyst - Rating Operations Tel: 022-67141164 salome.farren@acuiteratings.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuute.in

About Acuite Ratings & Research:

Acuite Ratings & Research Limited (*erstwhile SMERA Ratings 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 6,000 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 Mumbai.

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