



Press Release

Sai Babuji Projects Private Limited

March 01, 2024

Ratings

| Facilities | Amount (Rs. crore) | Ratings | Rating Action | Complexity Indicator |
|----------------------------|---|---|---|--|
| Long Term Bank Facilities | 6.25 | IVR B+/ Negative ISSUER NOT COOPERATING* (IVR Single B Plus with Negative Outlook Issuer Not Cooperating) | Downgraded from IVR BB-/ Stable (IVR Double B Minus with Stable Outlook) and moved to Issuer Not Cooperating category | Simple |
| Short-Term Bank Facilities | 2.10 | IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating) | Reaffirmed and moved to Issuer Not Cooperating category | Simple |
| Total | 8.35 (Rs. Eight crore and Thirty Five lakh only) | | | |

**Issuer did not cooperate based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The ratings assigned to the bank facilities of Sai Babuji Projects Private Limited (SBPPL) considers the close operational and financial linkages between SBPPL and its group company, Balaji Industrial and Agricultural Castings Private Limited (BIAC). Infomerics takes combined view of these entities referred together as Sai Group.

Infomerics has downgraded and moved the ratings assigned to the bank facilities of Sai Babuji Projects Private Limited (SBPPL) to ISSUER NOT COOPERATING category because of lack of adequate information for rating review from the company and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer



Press Release

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated February 7, 2024, February 13, 2024, February 14, 2024, February 16, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the ratings based on the best available information. Accordingly, the long-term and short term ratings of the bank loan facilities aggregating to 8.35 crore of SBPPL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long term and short term rating will be noted as IVR B+/ Negative/ IVR A4 ISSUER NOT COOPERATING; Based on best available information (IVR Single B Plus with Negative outlook and IVR A Four Issuer Not Cooperating; Based on best available information).

Analytical Approach & Applicable Criteria: Consolidated.

For arriving at the ratings, INFOMERICS analytical team has combined the financials of Sai Babuji Projects Private Limited (SBPPL) and Balaji Industrial and Agricultural Castings Private Limited (BIACPL) as these entities have a common management team under the same promoter and have operational & financial linkages between the entities. The lists of Companies considered are given in Annexure 3.

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Manufacturing Companies](#)

[Rating Methodology for Infrastructure Companies](#)

[Rating Methodology for Trading Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning rating outlook](#)



Press Release

About the company & the Group

Sai Babuji Projects Private Limited (SBPPL) was incorporated in August 2011 by Mr Mallela Sreekanth and Mrs. Bhuvaneshwari Mallela. The company executes manufacturing and trading of solar power equipment such as inverter, solar panels, solar water pumping system, high-density polyethylene pipes, power cables, and fasteners along with fabrication of solar panel. SBPPL provides services like monitoring, integration, security and solar site maintenance during their entire life cycle. It began commercial production from 2014. The company operates in Hyderabad, Tamil Nadu, Andhra Pradesh, Chhattisgarh, and Gujarat.

Balaji Industrial and Agricultural Castings Private Limited (BIACPL) is located at Hyderabad in India and started operation from 1978 as a partnership firm. The company is in various activities like implementation of water supply schemes, fabrication of solar products, construction and execution of community water supply projects and in civil works.

Presently, both the companies are under the common management with strong operational and financial fungibility. Mr. Sreekanth Mallela, who is a director of SBPPL, is also the managing director of BIACPL along with other common director and a group of experienced personnel.

Financials (Combined)

| (Rs. Crore) | | |
|---|-------------------|-------------------|
| For the year ended* / As on | 31.03.2021 | 31.03.2022 |
| | Audited | Audited |
| Total Income | 32.13 | 31.22 |
| EBIDTA | 4.38 | 4.33 |
| PAT | 1.67 | 1.82 |
| Total Debt | 16.71 | 9.54 |
| Tangible Net Worth | 20.60 | 22.38 |
| EBDITA Margin (%) | 13.63 | 13.87 |
| PAT Margin (%) | 5.19 | 5.82 |
| Overall Gearing Ratio (x) on Net Adjusted TNW | 0.81 | 0.43 |

* As per Infomerics Standard



Press Release

Financials (Standalone)

(Rs. Crore)

| For the year ended* / As on | 31.03.2021 | 31.03.2022 |
|---|----------------|----------------|
| | Audited | Audited |
| Total Income | 15.35 | 9.34 |
| EBIDTA | 1.44 | 1.12 |
| PAT | 0.55 | 0.35 |
| Total Debt | 6.08 | 3.64 |
| Tangible Net Worth | 7.76 | 8.11 |
| EBDITA Margin (%) | 9.38 | 12.00 |
| PAT Margin (%) | 3.57 | 3.79 |
| Overall Gearing Ratio (x) on Net Adjusted TNW | 0.78 | 0.45 |

* As per Infomerics Standard

Status of non-cooperation with previous CRA: The rating continues under Issuer Not Cooperating category by CARE as per latest PR dated February 15, 2023, due to nonavailability of information and applicable fee. CRISIL as per PR dated February 27, 2023 due to nonavailability of information. Acuite also continues the rating in the Issuer Not Cooperating category as per latest PR dated May 16, 2023 due to non-submission of information by the company.

Any other information: Nil

Rating History for last three years:

| Sr. No. | Name of Instrument/ Facilities | Current Rating (Year 2023-24) | | | Rating History for the past 3 years | | |
|---------|-----------------------------------|-------------------------------|---------------------------------|---|--|--|--|
| | | Type | Amount outstanding (Rs. Cr.) | Rating | Date(s) & Rating(s) assigned in 2022-23 | Date(s) & Rating(s) assigned in 2021-22 | Date(s) & Rating(s) assigned in 2020-21 |
| | | | | | (January 06, 2023) | (October 11, 2021) | |
| 1. | ODBD | Long Term | 4.90 | IVR B+/ Negative ISSUER NOT COOPERATING* | IVR BB-/ Stable | IVR BB-/ Stable | - |
| 2. | COVID Sahayata | Long Term | 0.38 | IVR B+/ Negative ISSUER NOT COOPERATING* | IVR BB-/ Stable | IVR BB-/ Stable | - |
| 3. | CGECL | Long Term | 0.97 | IVR B+/ Negative ISSUER NOT COOPERATING* | IVR BB-/ Stable | IVR BB-/ Stable | - |



Press Release

| Sr. No. | Name of Instrument/ Facilities | Current Rating (Year 2023-24) | | | Rating History for the past 3 years | | |
|---------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|--|--|--|
| | | Type | Amount outstanding (Rs. Cr.) | Rating | Date(s) & Rating(s) assigned in 2022-23 | Date(s) & Rating(s) assigned in 2021-22 | Date(s) & Rating(s) assigned in 2020-21 |
| | | | | | (January 06, 2023) | (October 11, 2021) | |
| 4. | BG | Short Term | 2.10 | IVR A4 ISSUER NOT COOPERATING* | IVR A4 | IVR A4 | - |

**Issuer did not cooperate; based on best available information*

Name and Contact Details of the Rating Analyst:

| | |
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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is were is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on



Press Release

information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy, or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

| Name of Facility | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|------------------|------------------|------------------|---------------|------------------------------|--|
| ODBD | - | - | - | 4.90 | IVR B+/ Negative ISSUER NOT COOPERATING* |
| COVID Sahayata | - | - | June 2023 | 0.38 | IVR B+/ Negative ISSUER NOT COOPERATING* |
| CGECL | - | - | June 2023 | 0.97 | IVR B+/ Negative ISSUER NOT COOPERATING* |
| BG | - | - | - | 2.10 | IVR A4 ISSUER NOT COOPERATING* |

* Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: List of companies considered for consolidated analysis:

| Name of the Company | Nature of consolidation |
|---|-------------------------|
| Sai Babuji Projects Private Limited | Full consolidation |
| Balaji Industrial and Agricultural Castings Private Limited | Full consolidation |

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com