

Bondada Engineering Private Limited

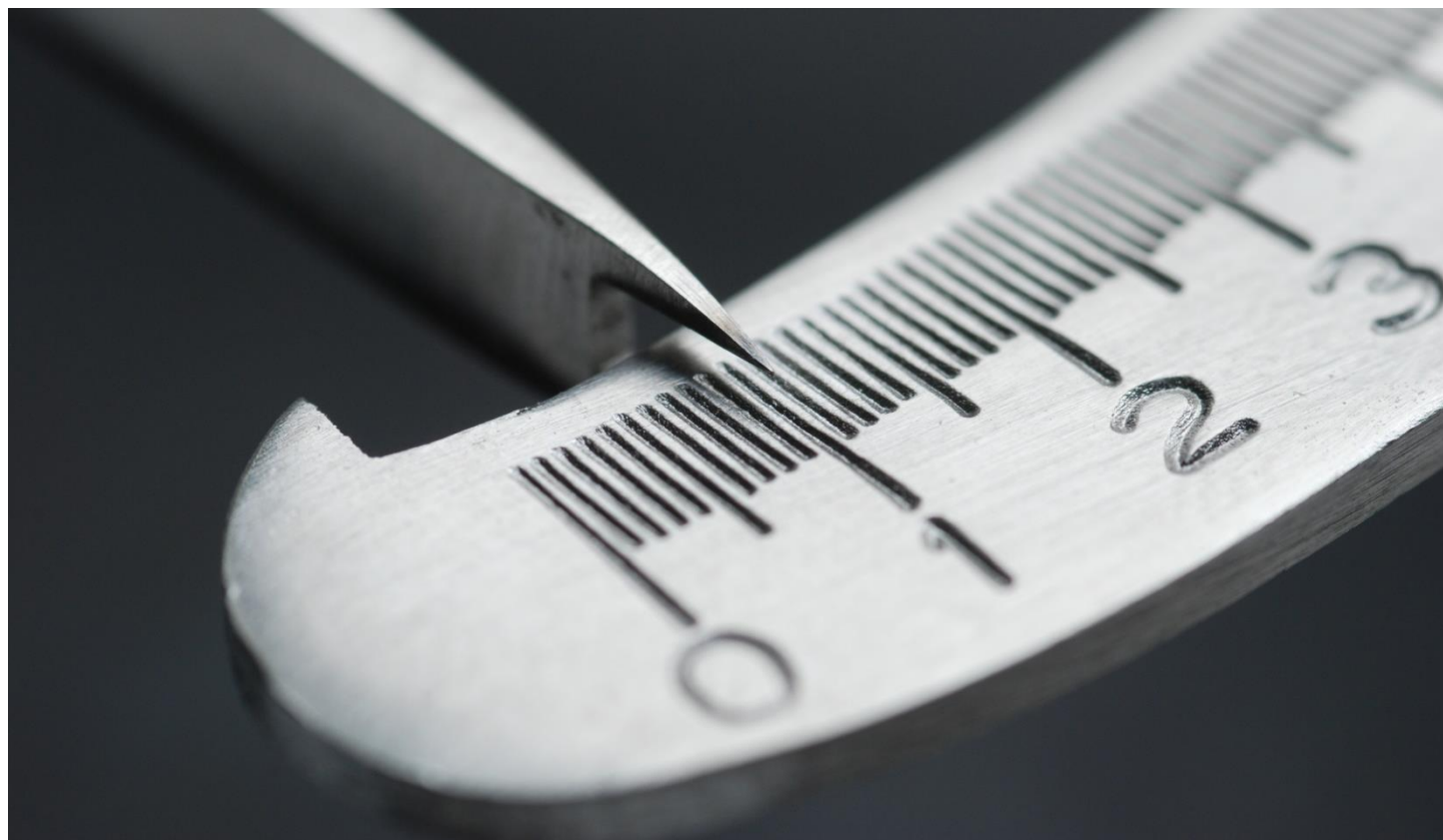
CRISIL Rating: CRISIL MSE 1

Financial strength: Highest

Operating performance: Highest

Indicates 'Highest' creditworthiness in relation to other Micro & Small Enterprises

Report Date: October 7, 2019 / **Valid Till:** October 5, 2020



Important notice

The rating is a one-time exercise and the rating will not be kept under surveillance. This rating is valid for one year from the report date, subject to no significant changes/events occurring during this period that could materially affect the business or financial parameters of the organisation as mentioned in the report. CRISIL, however, recommends that the user of the rating seeks a review of the rating, if the organisation experiences significant changes/events during this period, which could impact the organisation/its rating.

The rating and this report are based on the information provided to CRISIL by the organisation and/or obtained by CRISIL from sources it considers reliable including published annual reports, management meetings, industry data and discussions with bankers, customers and suppliers. CRISIL does not guarantee the accuracy, adequacy or completeness of any information on which the rating and the report are based and is not responsible for any errors or omissions for the results/opinions obtained from the use of the rating or the rating report. The rating does not constitute an audit of the organisation by CRISIL. The rating is also not a recommendation to enter into or not enter into any transaction with the organisation. CRISIL reserves the right to disclose the organisation's rating and the rating report to Government and/or Regulatory Authorities/Courts of Law if required to do so. CRISIL or its associates may have other commercial transactions with the company/entity.

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CRISIL MSE Rating

CRISIL MSE 1 indicates 'Highest' credit worthiness adjudged in relation to other MSEs	CRISIL MSE Rating	Definition	Financial Strength	Operating Performance
	MSE 1	Highest	Highest	Highest
	MSE 2	High	High	High
	MSE 3	Good	Good	Average
	MSE 4	Above Average	Above Average	Weak
	MSE 5	Average	Average	Poor
	MSE 6	Below Average	Below Average	
	MSE 7	Weak	Weak	
	MSE 8	Poor	Poor	

Rating history

Rating	Financial	Operating	Assigned on	Valid till	Rating acceptance	Type
CRISIL MSE 1	Highest	Highest	7-Oct-18	6-Oct-19	Rating accepted	Renewal
CRISIL MSE 1	Highest	Highest	7-Oct-17	6-Oct-18	Rating accepted	Renewal
CRISIL MSE 1	Highest	Highest	7-Oct-16	6-Oct-17	Rating accepted	New

Key rating drivers

Name of the company: **Bondada Engineering Private Limited**

Business and management

Strengths	<ul style="list-style-type: none"> • Experience of promoters: The company's promoter, Raghavendra Rao Bondada has been in the industry for more than 2 decades and has developed a deep understanding of the dynamics of the industry and local market over the years. His experience has helped the company to expand its scale and reach. • Well-defined organisational structure: The company has a qualified and experienced second-tier management that has decision-making powers. The company is expected to benefit from the management's ability to ensure smooth flow of operations. • Certification: The company has ISO 9001:2018 and URS quality certification, which ensure adherence to high quality standards and also enhance its brand value and demand prospects. • Smooth flow of operations: Established relationships with customers and suppliers ensure uninterrupted flow of business operations. • Increasing sales: Net sales of the company increased from Rs 7,151.06 lakh in fiscal 2017 to Rs 10,189.85 lakh in fiscal 2018 and Rs 21,917.41 lakh in fiscal 2019. The company projects net sales of Rs 28,500.00 lakh in fiscal 2020 based on the till date sales and anticipating more orders from existing and new customers. • Strong profitability: The company registered a strong operating profit before depreciation, interest, and tax (OPBDIT) margin of 8.72% and profit after tax (PAT) margin of 5.09% during fiscal 2019.
Risk factors	<ul style="list-style-type: none"> • Short track record: The company has been operational for only 6 years and is yet to demonstrate the ability to weather business and economic cycles and scale up operations while maintaining operational efficiency. • Margin may be constrained in future due to: <ul style="list-style-type: none"> ○ Volatility in the price of raw materials ○ Competition from new as well as established players

Financial

Strengths	<ul style="list-style-type: none"> • Strong return on capital employed: The company registered a strong return on capital employed (RoCE) of 38.65% during fiscal 2019. • Strong credit protection measures: It is reflected in profit before depreciation, interest, and tax (PBDIT) interest cover of 12.60 times, net cash accrual/total debt of 51.95% and debt-service coverage ratio of 4.21 times as of fiscal 2019. This has protected its profitability from being eroded by interest payouts. • Adequate liquidity: The company registered an adequate cash/TOL of 8.90% and current ratio of 1.38 times as of fiscal 2019, which reflect adequate liquid cash to available meet its debt obligations. • Low gearing: The company also had a low gearing of 0.64 time as of fiscal 2019. It provides company considerable financial flexibility to raise additional debt to meet its working capital requirement or capex plans.
Risk factors	<ul style="list-style-type: none"> • Stretched receivables and payables: As the company's receivables and payables were stretched for the past 3 years, its ability to negotiate better credit terms and improve its bargaining power with customers and suppliers remains to be seen.

Key Developments and Plans

Turnover projections

- Net sales increased considerably in fiscal 2019 mainly as the company started a tower manufacturing unit during the year, as confirmed by the management.
- The company projects higher sales in fiscal 2020 based on the till date sales and anticipating more orders from existing and new customers.

Certification

- The company has renewed its ISO certification to ISO 9001:2015 (valid till September 2020). It also has URS certification (valid till September 2021).

Employee base

- During fiscal 2019, the company increased its permanent employee base from 250 to 1,500 and decreased its contractual employee base from 950 to 150. It now has 1,500 permanent and 150 contractual employees.

Customer

- In fiscal 2019, the company added a few new customers to its existing base. Major new customers added during the year includes Sterlite Power, Sterlite Technologies and KPI Global India Limited.
- The same was funded partly using internal accrual and partly by long-term debts.

Fixed assets

- Fixed assets worth Rs 498.44 lakh were added during fiscal 2019. Main fixed assets added during the year include plant and machinery, buildings, computer and accessories, land and office equipment.

Plans

- During fiscal 2020, the company plans to expand its international reach by acquiring new customers in the Philippines.

Financial profile

Current financial performance*

Performance for the period April 1 to September 30, 2019		
Net sales	Rs lakh	11,067.45
OPBDIT	Rs lakh	1,129.99
Current order book	Rs lakh	15,367.00
Debtors	Rs lakh	4,232.45
Creditors	Rs lakh	2,878.00
Capital	Rs lakh	3,639.99
Total debt	Rs lakh	2,871.51
Total debt-equity ratio	Times	0.79

Projected / estimated performance during		FY20
Net sales	Rs lakh	28,500.00**
PBT	Rs lakh	Details sought by CRISIL, not provided by the company
PBT margin	%	

*Based on management discussion

**The company projects higher sales in fiscal 2020 based on the till date sales and anticipating more orders from existing and new customers.

Past financial performance

Profit and loss account

For the year ended		FY17	FY18	FY19
		Audited	Audited	Audited
Number of months		12	12	12
Net sales	Rs lakh	7,151.06	10,189.85	21,917.41
Operating income	Rs lakh	7,151.06	10,196.25	22,402.88
Cost of sales	Rs lakh	6,215.02	9,013.23	20,448.24
OPBDIT	Rs lakh	936.04	1,183.02	1,954.63
Interest and finance costs	Rs lakh	88.13	148.77	155.58
OPBDT	Rs lakh	847.91	1,034.25	1,799.05
Depreciation	Rs lakh	195.42	205.10	204.05
OPBT	Rs lakh	652.49	829.15	1,595.00
Non-operating income / (expense)	Rs lakh	2.16	3.73	10.42
PBT	Rs lakh	654.65	832.88	1,605.42
Extraordinary income / (expense)	Rs lakh	-	-	(4.07)
Reported PBT	Rs lakh	654.65	832.88	1,601.35
Provision for taxes	Rs lakh	232.76	292.65	463.34
Deferred tax liability / (asset)	Rs lakh	9.99	20.66	(1.37)
PAT	Rs lakh	411.90	519.57	1,139.38
Dividends	Rs lakh	15.26	-	-
Net cash accrual	Rs lakh	601.79	734.40	1,353.15

Notes:

- Net sales increased considerably in fiscal 2019 mainly as the company started a tower manufacturing unit during the year, as confirmed by the management.
- Operating income as of fiscal 2019 comprised incentives received of Rs 20.00 lakh, revenue from job work of Rs 411.03 lakh, revenue from sale of scrap of Rs 54.41 lakh and other income of Rs 0.03 lakh.
- Interest and finance costs for fiscal 2019 comprised interest on borrowings worth Rs 144.01 lakh and bank charges worth Rs 11.57 lakh.
- Interest and finance costs for fiscal 2018 comprised interest on borrowings worth Rs 148.77 lakh.
- Depreciation is charged according to the provisions of the Companies Act, 2013.
- Non-operating income during fiscal 2019 comprised interest income of Rs 1.45 lakh, profit from sale of asset of Rs 1.36 lakh and other non-operating income of Rs 7.61 lakh.
- Extraordinary expense during fiscal 2019 refers to debit balances written off of Rs 4.07 lakh.
- Deferred tax has been provided over the past three years (fiscals 2017-2019) according to the provisions of the Companies Act, 2013.

Balance sheet

		FY17	FY18	FY19
		Audited	Audited	Audited
Liabilities				
Tangible net worth	Rs lakh	1,178.52	1,707.79	2,856.89
Deferred tax liabilities / (assets)	Rs lakh	16.33	36.99	35.62
Long-term debt	Rs lakh	906.85	1,039.79	1,177.29
<i>of which, current portion of long-term debt</i>	<i>Rs lakh</i>	<i>84.07</i>	<i>85.56</i>	<i>85.88</i>
Short-term debt	Rs lakh	530.58	810.19	1,427.60
<i>of which, working capital borrowing from banks</i>	<i>Rs lakh</i>	<i>483.77</i>	<i>785.97</i>	<i>1,427.60</i>
Other liabilities and provisions	Rs lakh	2,596.71	2,944.82	5,170.25
Total liabilities	Rs lakh	5,228.99	6,539.58	10,667.65
Assets				
Net fixed assets	Rs lakh	1,147.19	1,097.74	1,392.13
Investments	Rs lakh	19.20	50.61	44.31
Inventory	Rs lakh	964.94	1,582.11	2,949.10
Receivables (total)	Rs lakh	2,222.76	2,637.29	4,554.82
<i>of which, receivables greater than six months</i>	<i>Rs lakh</i>	<i>-</i>	<i>-</i>	<i>-</i>
Cash and bank balance	Rs lakh	243.53	155.35	662.19
Other current assets	Rs lakh	631.37	1,016.48	1,065.10
Total assets	Rs lakh	5,228.99	6,539.58	10,667.65

Notes:

- Long-term debt as of fiscal 2019 comprised vehicle loan from Federal Bank of Rs 2.16 lakh; term loans from Federal Bank of Rs 249.80 lakh, HDFC Bank of Rs 43.56 lakh, and Capital First Limited of Rs 9.65 lakh; current maturities of long-term debt of Rs 85.88 lakh; and interest-free unsecured loans from promoters and family of Rs 786.24 lakh.
- Short-term debt as of fiscal 2019 comprised cash credit facility availed from Federal Bank of Rs 1,427.60 lakh (sanctioned limit Rs 1,450.00 lakh).
- Other liabilities and provisions as of fiscal 2019 comprised creditors for goods of Rs 3,019.32 lakh, creditors for expenses of Rs 23.98 lakh, provisions of Rs 116.21 lakh, advance from customers of Rs 437.15 lakh, statutory remittances of Rs 195.90 lakh, provision for income tax of Rs 722.28 lakh, outstanding liability of Rs 313.74 lakh, salary payable of Rs 284.70 lakh and other current liabilities of Rs 56.97 lakh.
- Fixed assets worth Rs 498.44 lakh were added during fiscal 2019. Main fixed assets added during the year include plant and machinery, buildings, computer and accessories, land and office equipment.
- Investments as of fiscal 2019 comprised fixed deposits worth Rs 33.31 lakh and investment in shares of Rs 11.00 lakh.
- Inventory as of fiscal 2019 comprised raw materials of Rs 628.77 lakh, work in progress of Rs 2,163.22 lakh, and finished goods of Rs 157.12 lakh.
- Other current assets as of fiscal 2019 comprised deposits of Rs 87.68 lakh, statutory receivables of Rs 813.44 lakh and, loans and advances of Rs 163.98 lakh.

Key financial ratios

For the year ended / as at		FY17	FY18	FY19
		Audited	Audited	Audited
OPBDIT margin	%	13.09	11.60	8.72
PAT margin	%	5.76	5.10	5.09
Return on capital employed	%	33.16	31.53	38.65
Gross current assets	days	192	184	137
Days inventory (on COP)	days	57	64	53
Days receivable (on gross sales)	days	113	94	76
Days payable (on materials)	days	120	36	123
Current ratio	Times	1.27	1.43	1.38
PBDIT Interest cover	Times	10.65	7.98	12.60
Net cash accrual/Total debt	%	41.87	39.70	51.95
Debt service coverage ratio	Times	2.21	2.28	4.21
Average cost of borrowing	%	7.06	9.05	6.98
Total outside liabilities/Tangible net worth	Times	3.44	2.83	2.73
Gearing - Total debt/Tangible net worth	Times	1.22	1.08	0.91
Gearing (considering promoter loans as neither debt nor equity)	Times	0.88	0.72	0.64
Cash /TOL	%	6.49	4.26	8.90

Notes:

- OPBDIT margin declined in fiscal 2019 mainly on account of an increase in material costs as a percentage of operating income.
- Receivables and payables for the past 3 years have been stretched; reason for the same is sought by CRISIL, not provided by the company.

Fund flow statement

For the year ended		FY18	FY19
Sources of funds			
Net cash accrual	Rs lakh	734.40	1,353.15
Equity infusion / Share application money	Rs lakh	-	-
Long-term debt borrowed (net)	Rs lakh	131.42	87.60
Short-term debt borrowed (net)	Rs lakh	281.10	667.31
Decrease in net current assets	Rs lakh	-	-
Sale of investments / fixed assets	Rs lakh	-	-
Other sources	Rs lakh	20.66	2.90
Total sources of funds	Rs lakh	1,167.58	2,110.96
Uses of funds			
Investment and fixed assets purchased	Rs lakh	155.65	510.81
Decrease in tangible net worth	Rs lakh	-	-
Long-term debt repaid (net)	Rs lakh	-	-
Short-term debt repaid (net)	Rs lakh	-	-
Increase in net current assets	Rs lakh	937.09	1,551.50
Other uses	Rs lakh	74.84	48.65
Total uses of funds	Rs lakh	1,167.58	2,110.96

Notes:

- Increase in net current assets as of fiscal 2019 was mainly on account of an increase in inventory, receivables, and cash and bank balance.
- Other uses as of fiscal 2019 refers to increase in non-current assets.

Contingent liabilities

Contingent liabilities as of fiscal 2019: Nil

Auditors

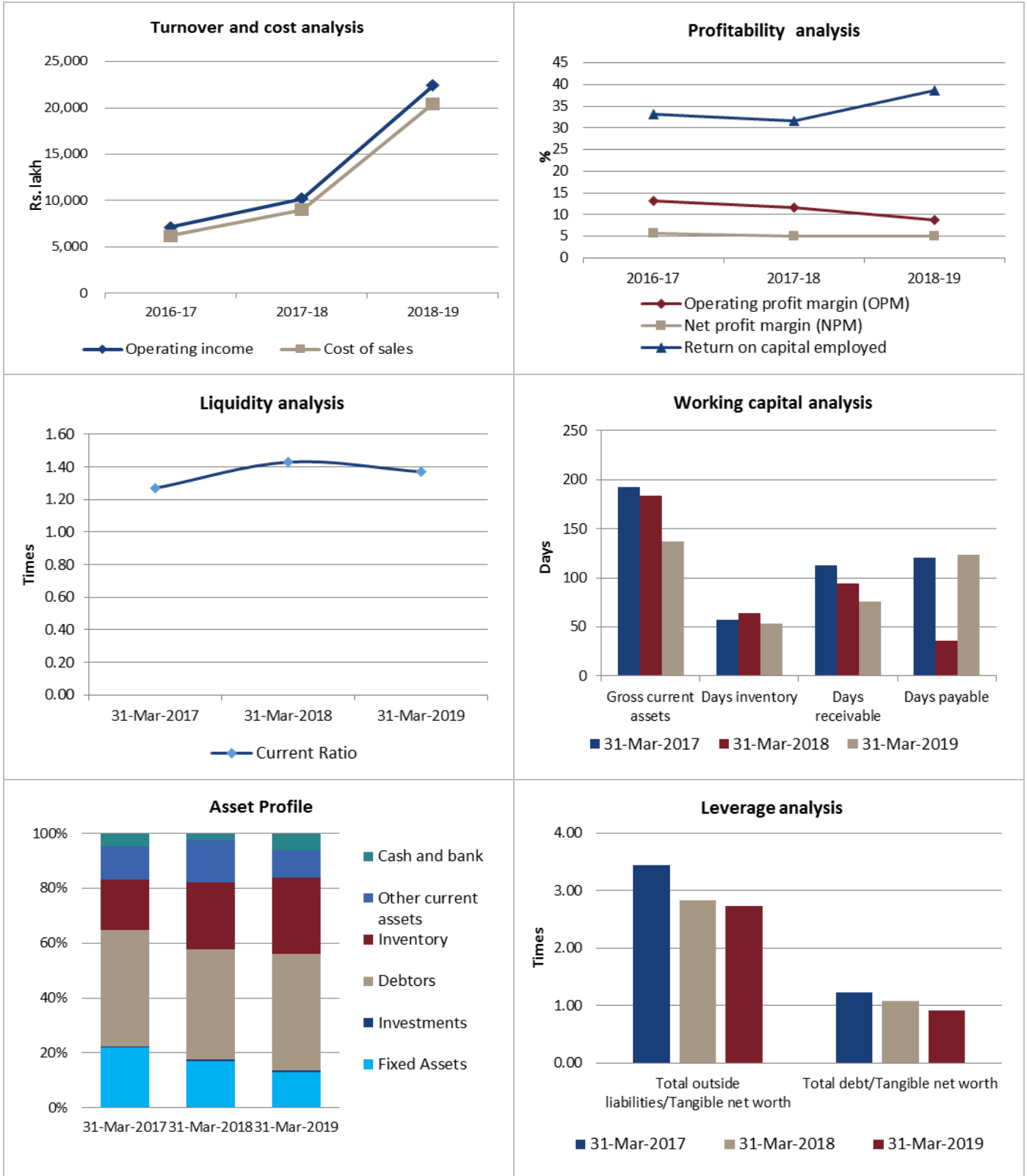
Jalagam and Associates; Chartered Accountants
Flat No. 304, Block B, Vivekananda Heights
Brundavan Estates, Nizampet X Roads
Kukatpally, Rangareddy
Hyderabad - 500 085, Karnataka
Membership no.: 222944

Auditors' comments and observations in their audit report for fiscal 2019, fiscal 2018, and fiscal 2017:

No adverse comments and observations

Change in auditors, if any: None

Graphs



Banking facilities

Name of the bank/financial institution	Length of relationship	Facilities availed	Type of facility	Loan amount	Rate (%)
Federal Bank	5 years	Cash credit	Fund-based limit	Rs 1,450.00 lakh*	Details sought by CRISIL, not provided by the company
		Vehicle loan		Rs 2.16 lakh**	
HDFC Bank	4 years	Term loan		Rs 249.80 lakh**	
Capital First Limited				Rs 43.56 lakh**	
			Rs 9.65 lakh**		

*Sanctioned limit

**Outstanding as of fiscal 2019

Feedback: The performance of the account is satisfactory.

Site visit

Address of the site visited	:	Survey No: 85 & 86, Plot No:11 & 15 Surya PPR Towers, 3 rd Floor Kapra Hyderabad – 500 062, Telangana
Date of site visit	:	November 25, 2019
Unit official contacted	:	Name: Nandha Kumar
	:	Designation: Manager/ Services
	:	Mob: +91 9966 800 556
	:	Email: satyanarayana.baratam@bondada.net
No. of floors occupied	:	One
Size of premises	:	3,000 square feet
Number of employees at the location	:	25 (at the time of site visit)
Child labour at the site	:	No
Locality	:	Industrial
Location area	:	Urban
Site location	:	Main road
Site used as	:	<ul style="list-style-type: none"> • Administrative office • Registered office
Site layout	:	Spacious and well organised
Space around the building / structure	:	<ul style="list-style-type: none"> • Front porch • Backyard • Side space
Location advantages	:	None
State of infrastructure	:	<ul style="list-style-type: none"> • Power: Stable • Back up power: Available • Water: Available • Labour unions: Do not exist • Transportation: Easily available • Overall infrastructure: Satisfactory
Electricity consumption	:	<ul style="list-style-type: none"> • August 2019: 8,280 units • September 2019: 9,450 units • October 2019: 9,790 units
Building structure	:	Permanent structure
Ownership of premises	:	Rented
Sharing premises with group concerns	:	Yes
Facilities available at the site	:	<ul style="list-style-type: none"> • Telephone • Internet • Fax • Generator • Security guards • Name or sign boards • Fire extinguisher • Drinking water • Elevators • Transport arrangement • Boundary wall • Drainage and sewerage • Pantry and canteen

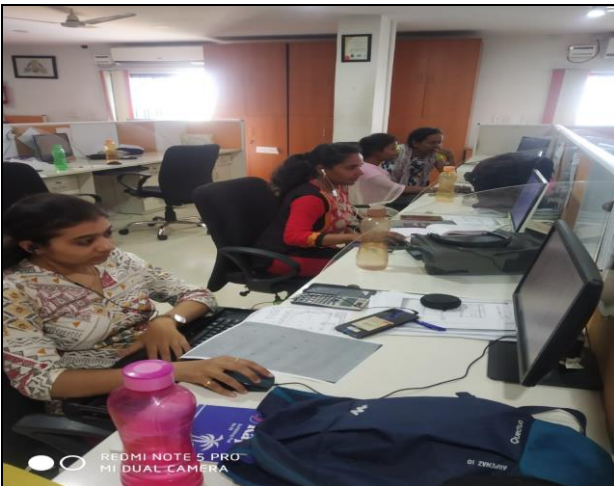
Photographs of the facility:



Outer view of the facility - I



Outer view of the facility - II



Inner view of the facility - I



Inner view of the facility - II

Annexure: Previous Rating Report

Bondada Engineering Private Limited

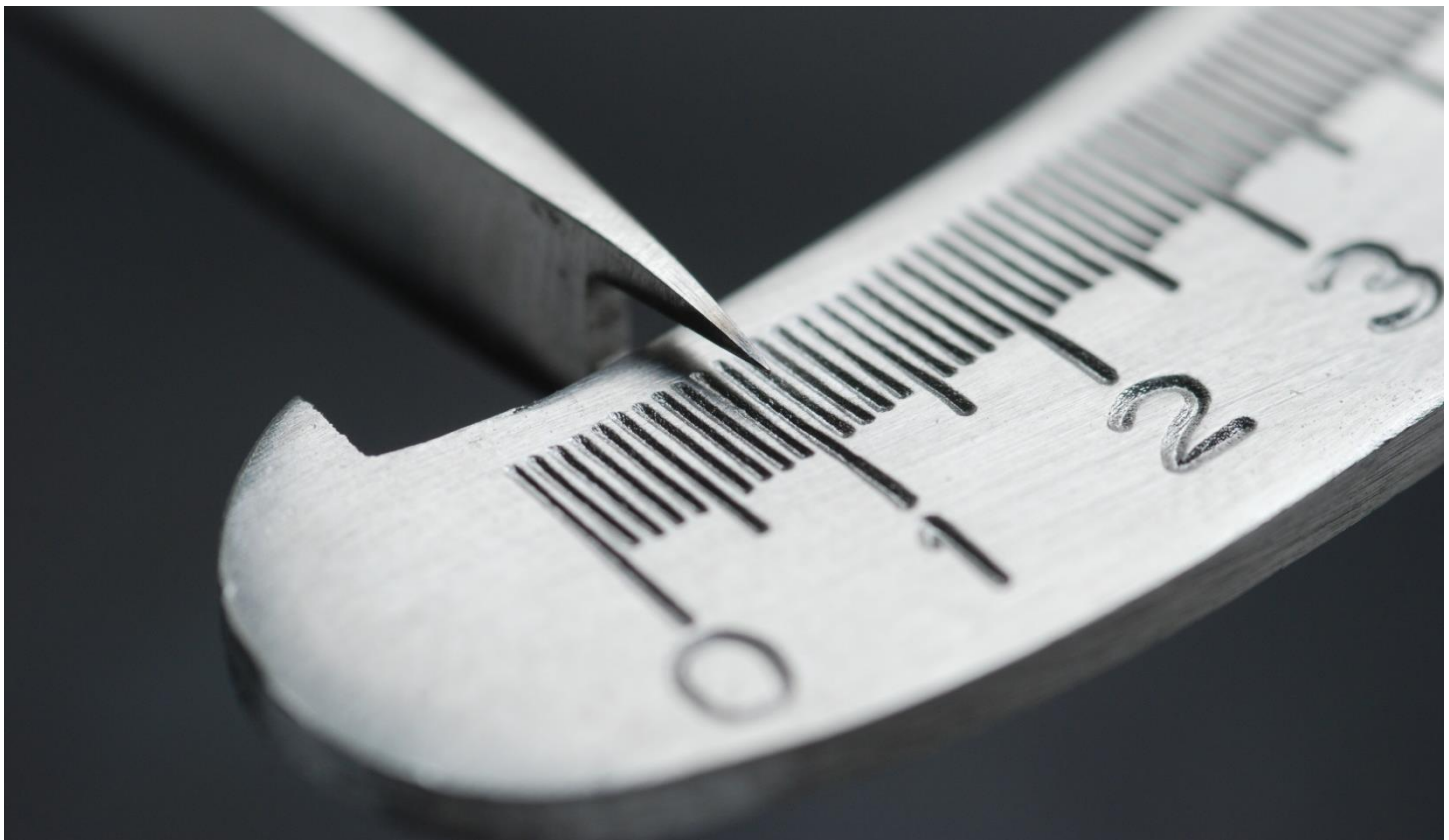
NSIC-CRISIL Rating: CRISIL MSE 1

Financial strength: Highest

Operating performance: Highest

Indicates 'Highest' creditworthiness in relation to other small and medium enterprises

Report Date: October 7, 2018 / **Valid Till:** October 6, 2019



Important notice

This rating has been assigned under the scheme for Rating of Small-Scale Industries, formulated, and subsidised by the National Small Industries Corporation Limited, New Delhi (NSIC). A copy of the rating report has been submitted to NSIC. The rating is to be used solely for the purpose for which this rating was assigned under NSIC's scheme, and for no other purpose. The rating is a one-time exercise and the rating will not be kept under surveillance. This rating is valid for one year from the report date, subject to no significant changes/events occurring during this period that could materially affect the business or financial parameters of the organisation as mentioned in the report. CRISIL, however, recommends that the user of the rating seeks a review of the rating, if the organisation experiences significant changes/events during this period, which could impact the organisation/its rating. For verifying if this is an accepted and valid rating, please visit: <http://www.crisil.com/credit-ratings-risk-assessment/nsic-ratings-list.htm>.

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NSIC-CRISIL performance and credit rating

CRISIL MSE 1 indicates 'Highest' credit worthiness adjudged in relation to other MSEs	CRISIL MSE Rating	Definition	Financial Strength	Operating Performance
	MSE 1	Highest	Highest	Highest
	MSE 2	High	High	High
	MSE 3	Good	Good	Average
	MSE 4	Above Average	Above Average	Weak
	MSE 5	Average	Average	Poor
	MSE 6	Below Average	Below Average	
	MSE 7	Weak	Weak	
	MSE 8	Poor	Poor	

Rating history

Rating	Assigned on	Valid till	Rating acceptance	Remarks
CRISIL MSE1*	October 7, 2016	October 6, 2017	Rating accepted	New
CRISIL MSE1*	October 7, 2017	October 6, 2018	Rating accepted	Renewal

*Operating performance: Highest; Financial strength: Highest

Key rating drivers

Business and management

Strengths

- **Experienced promoters:** The company's promoters have been in the construction industry for more than 2 decades and have developed deep understanding of the dynamics of the industry and local market over the years; the promoters' experience has helped the company to expand its scale and reach.
- **Well-defined organisational structure:** The company has a qualified and experienced second-tier management with decision-making powers. Thus, it is expected to benefit from the management's ability to ensure smooth flow of operations and allow them to focus on strategic decision making.
- **Smooth flow of operations:** Established relationships with corporate clients and suppliers ensure stability in demand and an uninterrupted supply of raw material.
- **Well spread reach:** The company's presence across Jammu and Kashmir, Rajasthan, Gujarat, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Orrisa, West Bengal, Bihar, Uttar Pradesh, and Assam mitigates the risk of geographic concentration.
- **Certifications:** The company has the following certificates, which enhance its brand value and demand prospects:
 - ISO 9001:2015
 - United Registrar of Systems (URS)
- **Strong customer base:** This ensures regular orders and mitigates customer concentration risk. Customers include:
 - Reliance Industries Limited (Long-term/CRISILAAA/Stable/Short-term/CRISILA1+)
 - Larsen & Toubro Limited (Long-term/CRISILAAA/Stable/Short-term/CRISILA1+)
 - Indus Towers Limited (Long-term/CRISILAA+/Stable/Short-term/CRISILA1+)
 - Tata Projects Limited (Short-term/CRISILA1+)
 - Bharti Airtel Limited (Long-term/CRISLAA+/Negative/Short-term/CRISILA1+)
- **Adequate profitability:** The company registered an adequate operating profit before depreciation, interest, and tax (OPBDIT) margin of 11.60%, profit after tax (PAT) margin of 5.10%, and return on capital employed (RoCE) of 31.53 % in fiscal 2018.

Financial

Strengths

- **Adequate credit protection measures:** This is reflected in the organisation's:
 - Debt-equity ratio (not including promoter loans as debt) of 0.72 time and total outside liabilities/tangible net worth (or capital) of 2.83 times as of fiscal 2018
 - Net cash accruals to total debt of 39.70% and PBDIT interest cover of 7.98 times in fiscal 2018
- **Comfortable RoCE:** The RoCE was at 42.05 % - 31.53 % over the 3 years due to high capacity utilisation and healthy operating profitability. This implies the company has adequate resources for meeting its business obligations.
- **Healthy liquidity profile:** The company's liquidity profile remained strong over the past 3 years as reflected in the cash/TOL ratio of 4.26% as of fiscal 2018, 6.49% as of fiscal 2017, and 2.49% as of fiscal 2016.

Fact sheet

Name of the company	Bondada Engineering Private Limited
Year of incorporation	2012
Commencement of operations	June 1, 2012
Legal status	Private limited company
Legal history	<ul style="list-style-type: none"> • April 2012: The company was incorporated as a private limited company with Raghavendra Rao Bondada and Neelima Bondada as directors. • December 2012: Satyanarayana Baratam joined as a director. • There has been no change in the company's business, or constitution since inception.
Registered with	Registrar of Companies, Telangana
Registration number	U28910TG2012PTC080018
SSI registration number	TS09B0012164
Udhyog aadhaar no	818397994811
GSTIN no	36AAECB9626Q1ZZ
TAN no	HYDB05222A
CIN no	U93030AP2012PTC080018
Managing director	Raghavendra Rao Bondada
Category of entrepreneur	General
Registered office	Plot no. 1-1-27/37, Ashok Manoj Nagar Behind Saket Towers, Kapra Hyderabad – 500 062, Telangana Tel: +91 9966 800 556 Email: satyanarayana.baratam@bondada.net , satyam0306@gmail.com Website: www.bondada.net
Administrative office	Plot No. 11 and 15, 3rd Floor Surya PPR Towers, Ganesh nagar, Kapra Hyderabad – 500 062, Telangana Tel: +91 9966 800 556
Manufacturing facilities	Survey No. 85 and 86, Ramachandrinipet (V) Jagaipet, Krishna – 521 175, Andhra Pradesh
Number of employees	Permanent: 250 Contractual: 950 Total: 1,200
Certifications and awards	<ul style="list-style-type: none"> • ISO 9001:2015 (valid till September 2019) • URS (valid till September 2021)
Brands	None
Statutory compliance	<ul style="list-style-type: none"> • Income tax filing: Regular and timely • Excise duty filing (till June 30, 2017): Regular and timely • GST filling (from July 1, 2017): Regular and timely • Service tax filing (till June 30, 2017): Regular and timely • Wealth tax filing: Not applicable • ESIC and EPF dues: Regular and timely (As provided by the management, not independently verified)

Business profile

Business description

Nature of business	:	Manufacturing
Industry	:	Construction - Diversified
Industry prospects	:	Strong
Business description	:	<p>Business:</p> <ul style="list-style-type: none"> • The company undertakes designing, construction, and maintenance of engineering works for infrastructural projects. It also produces green products, such as unplasticised polyvinyl chloride (uPVC) windows and doors, autoclaved aerated concrete (AAC) blocks, and tower manufacturing plants. • The company installs industrial machinery and equipment. • The major sectors covered by the company are telecom and power. The company produces customised products, wherein the key specifications are given by the customers. • All assets of the company, including assets at factories and stocks are fully insured. • The company has class V registration with Road and Building Department, Andhra Pradesh. • The company has vendor registration with top MNCs like: <ul style="list-style-type: none"> ○ Nokia Siemens Networks ○ ZTE Telecom India Private Limited ○ Samsung ○ Adani Group ○ Reliance Corporate IT Park ○ Reliance Jio Infra <p>Raw materials:</p> <ul style="list-style-type: none"> • Civil – cement, steel, sand, aggregate, etc. • Telecom and electrical – copper flexible cables, copper armoured cables, cable trays, hardware, etc. • T&D electrical – conductors, transformers, insulators, circuit breakers, feeder control and relay panels, batteries, cables, energy meters, PLCC terminals, etc. • Tower plant: steel, pipes, angles, etc. <p>Inventory holding period:</p> <ul style="list-style-type: none"> • Inventory holding period for raw material is 30 days. <p>Project completion time:</p> <ul style="list-style-type: none"> • The company takes 15 to 20 days to complete a telecom site on turnkey basis. • The company takes around 8 months to complete a T&D site, including substation construction; however it depends on the size of the project. • The company has a maintenance department of more than 850 people. It operates in 3 shifts of 8 hours each. <p>Warehouse:</p> <ul style="list-style-type: none"> • The company has one warehouse in Hyderabad admeasuring around 4,000 yards and the other in Pune admeasuring around 1,500 yards. The company has

		warehouses across India depending on the requirements. The company's rental bill (warehouse and offices) varies from Rs 4,000.00 to Rs 5,000.00 per month.
		Designing <ul style="list-style-type: none"> The company has a 50 - member designing team, headed by Vamshi Krishna, Business Head Design.
End-user industries	:	Not applicable
Experience in the business	:	6 years
Product range	:	Diversified
Degree of competition	:	High; entry barriers are low
Plans	:	The company does not have any expansion or diversification plans for the near future.
Customer profile	:	Direct customers
Installed capacity/facility	:	AAC: 1.5 lakh cubic meter per annum UPVC Windows: 6.00 lakh sq. ft. per annum Steel Tower: 24,000.00 metric tonnes per annum
Utilised capacity	:	75.00 per cent

❖ **Telecom sector:**

- Design evaluation of new sites and reverse engineering analysis of existing towers
- Tower loading validation analysis and pole loading validation analysis
- Tower design and detailing for different antenna loadings
- Foundation designs for ground based and roof top towers
- Structural stability and analysis of existing buildings
- Soli testing and Investigation

❖ **Transmission lines:**

- Structural designs for transmission towers
- Detail and check survey for transmission lines
- Soil testing and Investigation

The company offers the following services in the transmission field:

- Turnkey services for transmission lines up to 765 kv
 - Tower foundations
 - Tower erections
 - Stringing of conductors
- Construction of sub-stations up to 400 kv
- HT and LT works at switchyards
- Construction of bay extensions

❖ **Design services:**

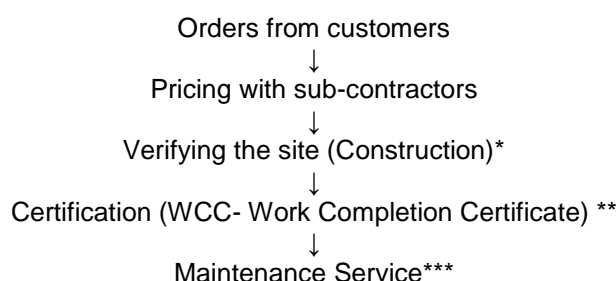
- Site survey and layout preparation
- Structural designs and drawings for industrial and residential buildings
- Architectural plans
- Site inspections, quality, and quantity audits

❖ **Solar segment:**

The company provides end-to-end solutions for plant construction works, including:

- Site survey and layout, land levelling, and grading
- Compound walls, gates, and internal road formation
- Designing of mounting structures and foundations
- Foundation for mounting structures
- Supply and installation of mounting structures
- Supply and installation of inverters, junctions boxes, and direct current (DC) cables
- Switchyard construction-alternate current (AC)/DC works
- Earthing, streetlights, and plant lighting
- Project management and statutory approvals
- Operations and maintenance of solar-powered plants

Procedure for site verification:



Sub-contractors

Name of Sub-contractors	Share in net sales (%)
Siri Group, Andhra Pradesh	3.00
M.C.E Industries, Andhra Pradesh	5.00
LVR Infra Projects	Varies annually
Taliv Tools	
S. Chandra Mohan Electric	

*The company has more than 80 engineers to ensure on time delivery, quality service, and safety.

**The company receives WCC from its clients on completion of work.

***The company provides 24*7 maintenance service with more than 950 employees.

❖ **CSR Activity:**

- The company has contributed 72 solar-powered poles and lights costing Rs 15.00 lakh to a village in Andhra Pradesh.
- The company has contributed 30 solar lights costing Rs 11.00 lakh in Andhra Pradesh.
- The company donated Rs 1.00 lakh to a government school in Andhra Pradesh.
- The company donated water treatment plant in Andhra Pradesh in April 2018.
- The company contributed 80 barricades costing Rs 6.00 lakh to traffic police in Visakhapatnam, Vijayawada and Hyderabad.
- The company is also taking initiatives to help needy people and to promote girl child's education.

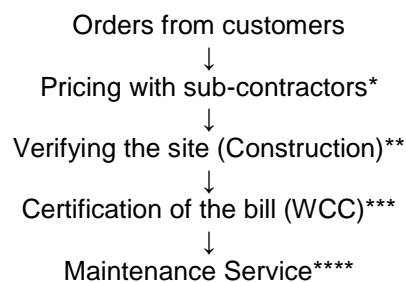
❖ Facilities in telecom sector:

- The company provides turnkey services, including:
 - Tower foundations
 - Tower erections
 - Stringing of conductors¹
- The company is into design evaluation of new sites and reverse engineering analysis of existing towers.
- The company gives foundation designs for ground based and roof top towers, tower loading and pole loading validation analysis, and tower design and detailing for different antenna loadings.
- The company is an electronic turnkey services partner (ETSP), which includes construction of towers, DG, and shelter foundations.
- The company offers electrical works, such as HT/LT (HT- high tension above 400 kv and low tension below 400 kv) and installation of towers, DGs, batteries, and power plants.
- The company has 24X7 manning service in maintenance of telecom and power projects.

❖ Facilities in power sector:

The company provides end-to-end solutions for plant construction works, which include:

- Site survey and layout, land levelling, and grading
- Compound walls, gates, and internal road formations
- Designing of mounting structures and foundations
- Foundation for mounting structures
- Supply and installation of mounting structures
- Supply and installation of inverters, junctions boxes, and DC cables
- Switchyard construction-AC /DC works
- Earthing, streetlights and plant lighting
- Project management and statutory approvals
- Operations and maintenance of solar-powered plants

Procedure for site verification:


*The company has contacts with 350 sub-contractors across India, namely:

- Siri Group, Andhra Pradesh
- M.C.E Industries, Andhra Pradesh.

**The company has 150 engineers to see on time delivery, quality service, and safety.

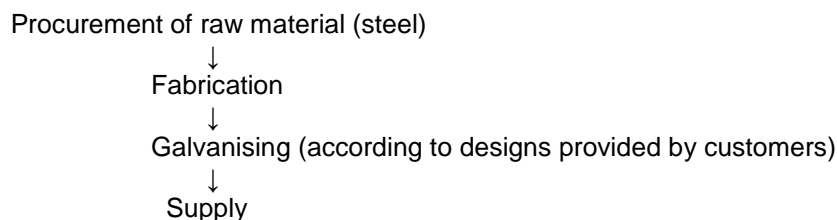
***The company provides WCC to its clients where 95.00% payment is made and 5.00% is kept as retention cost for future uncertainties.

****The company provides 24*7 maintenance service with 950 employees; the team is headed by Nand Kumar (Manager/services). The company has a guest house in every location where it spends Rs 6.00 lakh per month.

¹ Stringing of conductors means handling and transporting of the conductor and accessories to be carried out in such a manner as to minimise the possibility of damages from abrasion through rough handling or dirt and grit and getting into the reel of the conductor by touching or rubbing against ground or objects, causing injury to the conductor.

❖ Tower manufacturing plant:

Process for manufacturing tower plants is as follows:


Product profile

Product profile	Share in net sales (%)
Telecom sector	57.00
Power sector	10.00
UPVC windows and doors	5.00
Autoclaved AAC	8.00
Tower manufacturing plant	20.00
Total	100.00

Customer profile and demand-side analysis

Customer name	Address	Product	Length of relationship	% share in sales
Reliance Industries Limited (Long-term/CRISILAAA/Stable/Short-term/CRISILA1+)	Across India	Telecom Towers	6 years	40.00
Ericsson India Private Limited				Varies annually
Bharti Airtel Limited (Long-term/CRISLAA+/Negative/Short-term/CRISILA1+)				
Larsen & Toubro Limited (Long-term/CRISILAAA/Stable/Short-term/CRISILA1+)				
Vodafone South Limited				
Indus Towers Limited (Long-term/CRISILAA+/Stable/Short-term/CRISILA1+)				
Megha Engineering and Infrastructures Limited		T&D transmission lines	3 years	
Tata Projects Limited (Short-term/CRISILA1+)		Telecom towers		
ZTE India Private Limited		Solar power plants		
Adani Group			1 year	
Axis Energy				
Greenco Group				
ATC Idea Cellular Services				

Notes:

- Each customer accounts for less than 25% of the total sales.
- The company caters to 20 customers across India.

Terms of credit	:	Credit up to 30 days
Process of getting orders	:	Regular orders from customers
Exports	:	Nil
Marketing network	:	<ul style="list-style-type: none"> • The company has 15-member marketing team, headed by K V R K Murthy (Head/Marketing). • The company also has a website: www.bondada.net • Moreover, word-of-mouth publicity and tele-calling form an integral part of the marketing arrangement.
Geographical reach	:	Well spread

Supplier profile and supply-side analysis

Supplier's / Wholesaler's name	Address	Product	Length of relationship
IVRCL Limited	Hyderabad	Conductors and cable trays	6 years
Skyylives Electronics Private Limited			
GR Power Switchgear Limited			
Gupta Steels			
MCE Industries			
Mehta Engineering Corporation			
N. Veeravenkaiah			
Om Sri Sai Ganesh Enterprises			
Om Sri Lahari Shanthi Enterprises			
Sai Ram Enterprises			
Sanvi Electronics			
Sri Victory Traders			
Talib Tools Traders			

Terms of purchase	:	Credit up to 30 days
Raw material availability	:	Ample
Raw material price volatility	:	High
Ability to pass on raw material price increase	:	Yes
Imports	:	Nil

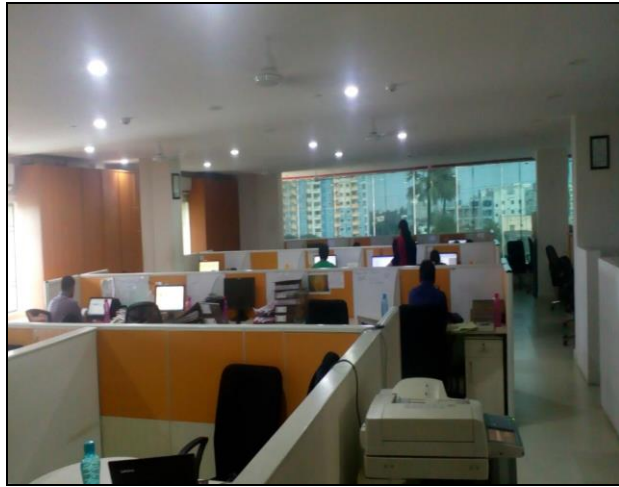
Manufacturing facilities

Labour oriented operations	:	Yes
Labour union	:	No
Labour relationships	:	Cordial
CNC machines, CAD, CAM, automation	:	Yes
In-house R&D, designing facilities	:	Yes
Factory layout	:	Spacious and well-organised

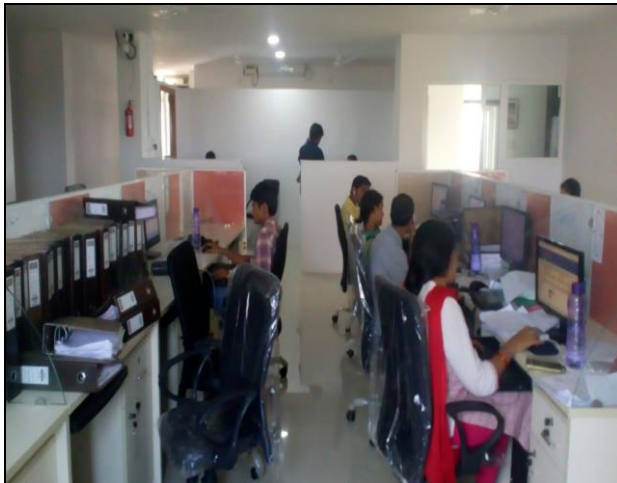
Photographs of the facility:



Name board of the facility



Inner view of the facility-I



Inner view of the facility-II



Inner view of the facility-III

Ownership and management

Directors' profile

Director's name	:	Raghavendra Rao Bondada
Age	:	44 years
Qualification	:	BTech
Designation / responsibilities	:	Managing director/Overall management
Previous experience	:	20 years in design, construction, and maintenance works, in the engineering field, apart from establishing and maintaining factory facilities
Relevant experience	:	6 years in the rated company
Promoters' experience in current business		As specified above
Experience in the same line of business (including current experience)		
Promoters' experience in managing number of other businesses		The promoter currently manages two businesses
Personal net worth	:	Rs 1200.00 lakh as on fiscal 2018 (liquid net worth details sought by CRISIL, not provided by company)
Director's address	:	1-1-1-7/66 and 67 Ovla, Shankamma Colony Kapra, Hyderabad – 500 062, Telangana
Telephone no.	:	+91 9966 365 050
Ownership of residence	:	Owned
Vehicles used	:	Toyota Innova

Director's name	:	Satyanarayana Baratam
Age	:	39 years
Qualification	:	Chartered Accountant
Designation / responsibilities	:	Executive Director/Overall management
Previous experience	:	15 years in the finance, banking, commercial, and taxation field
Relevant experience	:	6 years in the rated company
Promoters' experience in current business		As specified above
Experience in the same line of business (including current experience)		
Promoters' experience in managing number of other businesses		The promoter currently manages two businesses
Personal net worth	:	Rs 350.00 lakh as of fiscal 2018 (liquid net worth details sought by CRISIL, not provided by company)
Director's address	:	Plot no. 13 and 14, Sri Rama Avenue Near Vijaya High School, Kapra Hyderabad – 500 062, Telangana
Telephone no.	:	+91 9966 800 556

Director's name	:	Neelima Bondada
Age	:	36 years
Qualification	:	BSc
Designation / responsibilities	:	Director/Inactive
Previous experience	:	Nil
Relevant experience	:	6 years in the rated company
Promoters' experience in current business		As specified above
Experience in the same line of business (including current experience)		
Promoters' experience in managing number of other businesses		The promoter currently manages two businesses
Personal net worth	:	Rs 500.00 lakh as of fiscal 2018 (liquid net worth details sought by CRISIL, not provided by company)
Director's address	:	1-1-1-7/66 and 67 Ovla, Shankamma Colony Kapra, Hyderabad – 500 062, Telangana
Telephone no.	:	+91 9885 088 310

Personal liquid net worth of promoters is as disclosed by management and not certified.

Key management personnel

Name	:	D Uma Mahesheswara Rao
Age	:	40 years
Qualification	:	BTech
Designation / responsibilities	:	General Manager/Telecom sector (construction)
Relevant experience	:	19 years: <ul style="list-style-type: none"> Experienced in the fields of construction, project administration and commercial aspects Worked for Satyam Computers and Aster Private Limited
Address	:	Plot no. 1-1-27/37, Ashok Manoj Nagar Behind Saket Towers, Kapra Hyderabad – 500 062, Andhra Pradesh
Telephone no.	:	+91 9966 800 556

Name	:	M. V. D Prasad
Age	:	45 years
Qualification	:	MBA
Designation / responsibilities	:	General Manager/ Power Sector
Relevant experience	:	20 years: <ul style="list-style-type: none"> 16 years of experience in the fields of construction and project management Worked with Aster Private Limited as business unit head - operations in telecom vertical
Address	:	Plot no. 1-1-27/37, Ashok Manoj Nagar Behind Saket Towers, Kapra Hyderabad – 500 062, Andhra Pradesh
Telephone no.	:	+91 9966 800 556

Name	:	K V R K Murthy
Age	:	50 years
Qualification	:	MBA
Designation / responsibilities	:	Head/Marketing
Relevant experience	:	20 years: <ul style="list-style-type: none"> Segments include telecom, construction and designing Deals with telecom giants like Indus Towers Limited, Bharti Telecom and ZTE Telecom India Private Limited.
Address	:	Plot no. 1-1-27/37, Ashok Manoj Nagar Behind Saket Towers, Kapra Hyderabad – 500 062, Andhra Pradesh
Telephone no.	:	+91 9966 800 556

Name	:	O. Vamshi Krishna
Age	:	40 years
Qualification	:	BT Graduate
Designation / responsibilities	:	Business Head Design
Relevant experience	:	14 years: <ul style="list-style-type: none"> Served in various fields of civil and structural works in telecom, turnkey projects in industrial infrastructure, and power transmission projects
Address	:	Plot no. 1-1-27/37, Ashok Manoj Nagar Behind Saket Towers, Kapra Hyderabad – 500 062, Andhra Pradesh
Telephone no.	:	+91 9966 800 556

Name	:	Naveen Kumar
Age	:	39 years
Qualification	:	BTech
Designation / responsibilities	:	Head/Tower plant
Relevant experience	:	17 years in the rated company
Address	:	Plot no. 1-1-27/37, Ashok Manoj Nagar Behind Saket Towers, Kapra Hyderabad – 500 062, Andhra Pradesh
Telephone no.	:	+91 9966 800 556

Name	:	Nandha Kumar
Age	:	40 years
Qualification	:	BTech
Designation / responsibilities	:	Manager services
Relevant experience	:	15 years in the rated company
Address	:	Plot no. 1-1-27/37, Ashok Manoj Nagar Behind Saket Towers, Kapra Hyderabad – 500 062, Andhra Pradesh
Telephone no.	:	+91 9966 800 556

Name	:	Pradeep Kumar
Age	:	26 years
Qualification	:	BTech (Civil)
Designation / responsibilities	:	Head/ UPVC windows and doors
Relevant experience	:	8 years in the rated company
Address	:	Plot no. 1-1-27/37, Ashok Manoj Nagar Behind Saket Towers, Kapra Hyderabad – 500 062, Andhra Pradesh
Telephone no.	:	+91 9966 800 556

Name	:	A. T. V. Vara Prrasad
Age	:	37 years
Qualification	:	MBA
Designation / responsibilities	:	Head/AAC lightweight blocks/bricks
Relevant experience	:	17 years: <ul style="list-style-type: none">• Managing and maintaining tower manufacturing facilities.• Headed tower manufacturing facility with annual production capacity of 60000 MT.• Currently handling marketing and production requirements of AAC blocks / bricks plant with annual capacity of 1,00,000 cubic meters.
Address	:	Plot no. 1-1-27/37, Ashok Manoj Nagar, Behind Saket Towers, Kapra Hyderabad – 500 062, Andhra Pradesh
Telephone no.	:	+91 9966 800 556

Organisational structure, controls and systems

Managing director	:	Raghavendra Rao Bondada
Constitution	:	Private limited company
Second tier management	:	Qualified and experienced
Decision making powers	:	Decentralised
Reporting system or MIS	:	Yes
Type of reporting system	:	MS Office
Frequency of MIS / reporting	:	Daily
Litigations against the SSI	:	None
Litigations against the Director	:	
Severity of litigations	:	Not applicable
Susceptibility to foreign exchange fluctuations	:	
Hedging against foreign exchange risks	:	
Susceptibility to commodity price fluctuations	:	
Hedging against commodity prices	:	
Asset insurance	:	Adequate

Ownership pattern

Shareholding pattern as on: fiscal 2018

Name of the shareholder	Relationship with managing director	Share in capital (%)
Raghavendra Rao Bondada	Self	64.15
Satyanarayana Baratam	Business associate	12.20
Neelima Bondada	Wife	13.90
Uma Maheswara Rao Dutta	Business associate	3.66
MVD Prasad	Business associate	3.66
Gopa Sai	Business associate	2.44
	Total	100.00

Group companies and firms

Name of the group company	Business	Year ended	Net sales	PAT	Net worth/ Capital	Total debt
			<i>Amounts in Rs lakh</i>			
KP Energy Limited	Wind power construction	31-Mar-18	Data sought by CRISIL, not provided by company			

PAT: Profit after tax

Notes:

- Raghavendra Rao Bondada is a non-executive independent director in the group company.
- There are no intra-group transactions, as confirmed by management.
- The group company was profitable during fiscal 2017, as confirmed by the management.

Financial profile

Current financial performance

Performance for the period from April 1, 2018 to September 28, 2018		
Net sales	Rs lakh	7,500.00
OPBDIT	Rs lakh	750.00
Current order book	Rs lakh	8,700.00
Debtors	Rs lakh	3,200.00
Creditors	Rs lakh	1,300.00
Capital	Rs lakh	1,700.00
Total debt	Rs lakh	Data sought by CRISIL, not provided by company
Total debt- equity ratio	Times	

Projected performance during		FY19
Net sales	Rs lakh	16,500.00
PBT	Rs lakh	Data sought by CRISIL, not provided by company
PBT margin	%	8.00

Note: The company is expecting more revenue from tower manufacturing plant in fiscal 2019.

Past financial performance

Profit and loss account

For the year ended		FY16	FY17	FY18
		Audited	Audited	Provisional
Number of months		12	12	12
Net sales	Rs lakh	5,698.14	7,151.06	10,189.85
Operating income	Rs lakh	5,698.14	7,151.06	10,196.25
Cost of sales	Rs lakh	5,103.31	6,215.02	9,013.23
OPBDIT	Rs lakh	594.82	936.04	1,183.02
Interest and finance costs	Rs lakh	33.84	88.13	148.77
OPBDT	Rs lakh	560.98	847.91	1,034.25
Depreciation	Rs lakh	55.05	195.42	205.10
OPBT	Rs lakh	505.94	652.49	829.15
Non-operating income / (expense)	Rs lakh	8.01	2.16	3.73
PBT	Rs lakh	513.94	654.65	832.88
Extraordinary income / (expense)	Rs lakh	-	-	-
Reported PBT	Rs lakh	513.94	654.65	832.88
Provision for taxes	Rs lakh	163.59	232.76	292.65
Deferred tax liability / (asset)	Rs lakh	7.91	9.99	20.66
PAT	Rs lakh	342.44	411.90	519.57
Dividends	Rs lakh	-	15.26	-
Net cash accruals	Rs lakh	397.49	601.79	734.40

Notes:

- Net sales during fiscal 2018 increased on account of increase in revenue from tower manufacturing plant.
- Operating income during fiscal 2018 refers to reimbursement of sales tax from DIC.
- Interest and finance costs for fiscal 2018 refer to interest on borrowings of Rs 148.77 lakh.
- Interest and finance cost for fiscal 2018 increased on account of increase in debt obligations.
- Depreciation is charged according to the provisions of the Companies Act, 1956.
- Non-operating income during fiscal 2018 comprised interest income of Rs 1.34 lakh, profit on sale of assets of Rs 2.30 lakh, and non-operating income of Rs 0.09 lakh.
- Deferred tax has been provided over the past 3 years (fiscal 2018, fiscal 2017, and fiscal 2016) according to the provisions of the Companies Act, 1956.

Balance sheet

		FY16	FY17	FY18
		Audited	Audited	Provisional
Liabilities				
Tangible net worth	Rs lakh	781.88	1,178.52	1,707.79
Deferred tax liabilities / (assets)	Rs lakh	6.34	16.33	36.99
Long-term debt	Rs lakh	847.69	906.85	1,039.79
<i>of which, current portion of long-term debt</i>	<i>Rs lakh</i>	<i>16.21</i>	<i>84.07</i>	<i>85.56</i>
Short-term debt	Rs lakh	211.40	530.58	810.19
<i>of which, working capital borrowing from banks</i>	<i>Rs lakh</i>	<i>211.40</i>	<i>483.77</i>	<i>785.97</i>
Other liabilities and provisions	Rs lakh	1,158.15	2,596.71	2,944.82
Total liabilities	Rs lakh	3,005.46	5,228.99	6,539.58
Assets				
Net fixed assets	Rs lakh	896.95	1,147.19	1,097.74
Investments	Rs lakh	9.20	19.20	50.61
Inventory	Rs lakh	428.82	964.94	1,582.11
Receivables (total)	Rs lakh	1,216.60	2,222.76	2,637.29
<i>of which, receivables greater than six months</i>	<i>Rs lakh</i>	<i>-</i>	<i>-</i>	<i>-</i>
Cash and bank balance	Rs lakh	46.07	243.53	155.35
Other current assets	Rs lakh	407.82	631.37	1,016.48
Total assets	Rs lakh	3,005.46	5,228.99	6,539.58

Notes:

- Long-term debt as of fiscal 2018 comprised term loan from Federal Bank of Rs 418.82 lakh, vehicle loan from Federal Bank of Rs 7.00 lakh, and interest-free loans from directors of Rs 613.97 lakh.
- Short term debt as of fiscal 2018 comprised cash credit facility from Federal Bank of Rs 749.99 lakh, short-term loan from Capital First Limited of Rs 24.21 lakh, demand loan from Kotak Mahindra Bank of Rs 18.52 lakh, and SME loan from Federal Bank of Rs 17.45 lakh.
- Other liabilities and provisions as of fiscal 2018 mainly comprised:
 - Creditors for supplies of Rs 157.63 lakh
 - Creditors for services of Rs 1509.34 lakh
 - Creditors for expenses of Rs 33.18 lakh
 - Creditors for capital assets of Rs 51.56 lakh
 - Advances from customers of Rs 227.64 lakh
 - Statutory remittances of Rs 125.37 lakh
 - Outstanding liability of Rs 135.51 lakh
 - Salary and wages payables of Rs 167.74 lakh
 - Provision for gratuity of Rs 27.74 lakh
 - Provision for leave encashment of Rs 57.90 lakh
 - Provision for bonus of Rs 24.85 lakh
- Fixed assets during fiscal 2018 mainly included:
 - Land of Rs 109.04 lakh
 - Site equipment of Rs 35.81 lakh
 - Plant and machinery of Rs 628.58 lakh
 - Buildings of Rs 269.13 lakh
 - Vehicles of Rs 13.81 lakh
 - Computer and accessories of Rs 12.55 lakh

- Furniture and fixtures of Rs 17.23 lakh
- Investments as of fiscal 2018 refer to fixed deposits with bank.
- Inventory as of fiscal 2018 comprised raw materials of Rs 368.46 lakh, work in progress of Rs 1,175.86 lakh, and finished goods of Rs 37.79 lakh.
- As confirmed by management, receivables as of fiscal 2018 have been realised.
- Other current assets as of fiscal 2018 comprised loans and advances of Rs 928.31 lakh, rent advance of Rs 86.73 lakh, and interest accrued and not due of Rs 1.45 lakh.

Key financial ratios

For the year ended / as at		FY16	FY17	FY18
		Audited	Audited	Provisional
OPBDIT margin	%	10.44	13.09	11.60
PAT margin	%	6.01	5.76	5.10
Return on capital employed	%	42.05	33.16	31.53
Gross current assets	days	128	192	184
Days inventory (on COP)	days	31	57	64
Days receivable (on gross sales)	days	78	113	94
Days payable (on materials)	days	65	120	36
Current ratio	Times	1.36	1.27	1.43
PBDIT Interest cover	Times	17.81	10.65	7.98
Net cash accruals/Total debt	%	37.53	41.87	39.70
Debt service coverage ratio	Times	8.80	2.21	2.28
Average cost of borrowing	%	4.99	7.06	9.05
Cash/TOL	%	2.49	6.49	4.26
Total outside liabilities/Tangible net worth	Times	2.84	3.44	2.83
Gearing - Total debt/Tangible net worth	Times	1.35	1.22	1.08
Gearing (considering promoter loans as neither debt nor equity)	Times	0.86	0.88	0.72

Notes:

- Operating margin declined in fiscal 2018 mainly on account of increase in material costs, employee costs, and other manufacturing expenses as a percentage of operating income.
- Receivables and as of fiscal 2018, fiscal 2017, and fiscal 2016 have been stretched on account of increase in revenue volumes and change in product and service mix.

Fund flow statement

For the year ended		FY17	FY18
Sources of funds			
Net cash accruals	Rs lakh	601.79	734.40
Equity infusion / Share application money	Rs lakh	-	-
Long-term debt borrowed (net)	Rs lakh	-	131.45
Short-term debt borrowed (net)	Rs lakh	387.03	281.10
Decrease in net current assets	Rs lakh	-	-
Sale of investments / fixed assets	Rs lakh	-	-
Other sources	Rs lakh	72.71	20.66
Total sources of funds	Rs lakh	1,051.81	1,167.58
Uses of funds			
Investment and fixed assets purchased	Rs lakh	445.66	155.65
Decrease in tangible net worth	Rs lakh	-	-
Long-term debt repaid (net)	Rs lakh	8.70	-
Short-term debt repaid (net)	Rs lakh	-	-
Increase in net current assets	Rs lakh	587.86	937.09
Other uses	Rs lakh	9.59	74.84
Total uses of funds	Rs lakh	1,051.81	1,167.58

Notes:

- Other sources during fiscal 2018 refer to increase in deferred tax liability.
- Other sources during fiscal 2017 refer to increase in deferred tax liability and decrease in other non-current assets.
- Other uses during fiscal 2018 refer to increase in other non-current assets.

Contingent liabilities

Contingent liabilities as on fiscal 2018: There is a contingent liability of Rs 500.37 lakh, further details sought by CRISIL, not provided by company.

Auditors

Jalagam & Associates, Chartered Accountant

Flat no.304, Block B, Vivekananda Heights
 Brundavan Estates Nizampet X Roads,
 Kukatpally, Ranga Reddy – 500 085, Hyderabad
 Membership no: 222 944

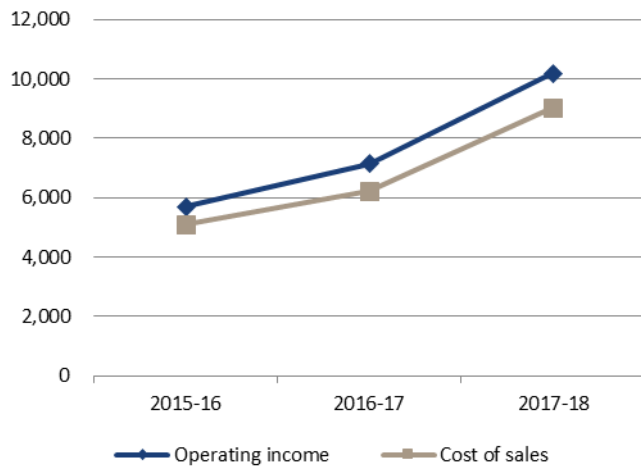
Auditors' comments and observations in their audit report for fiscal 2017, and fiscal 2016:

No adverse comment

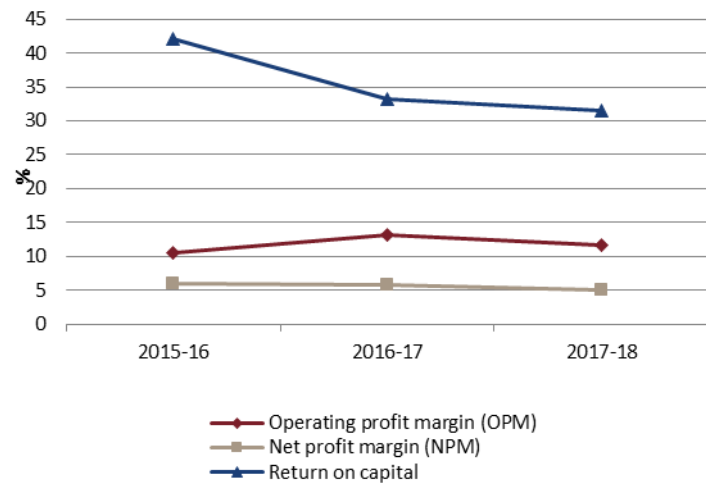
Change in auditors, if any: None

Graphs

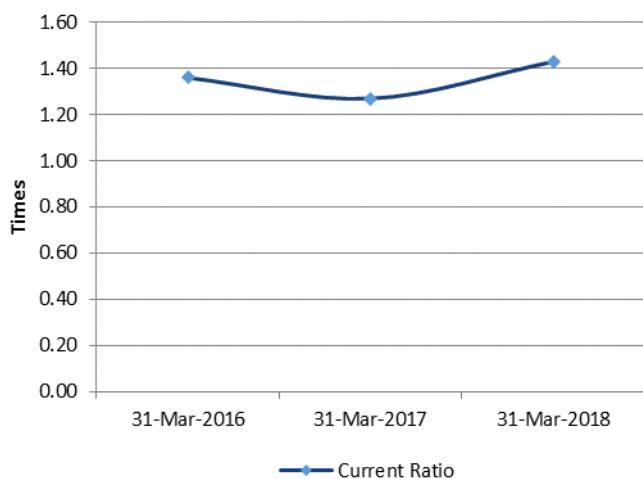
Turnover and cost analysis



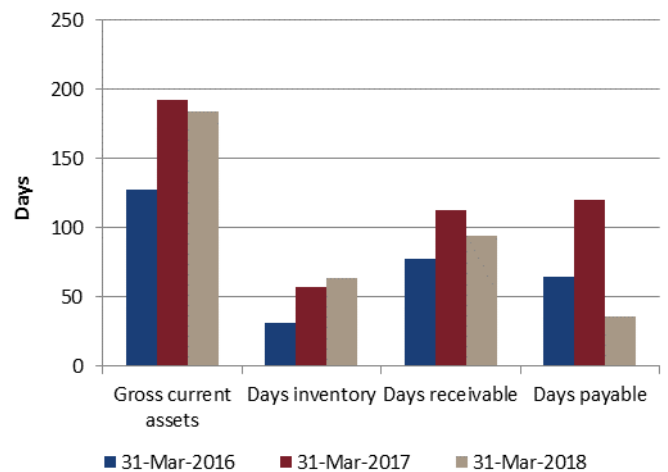
Profitability analysis



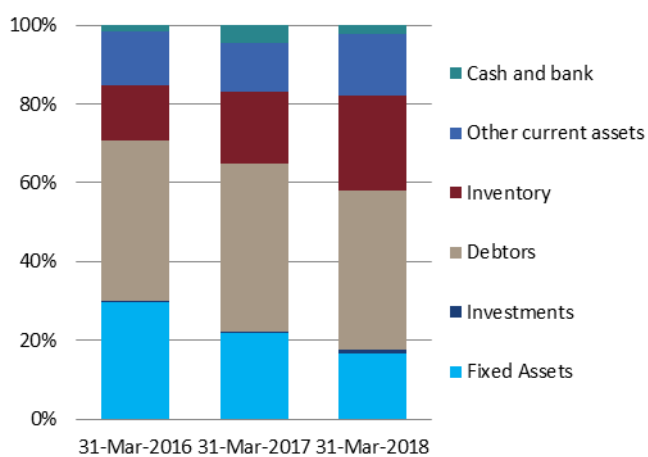
Liquidity analysis



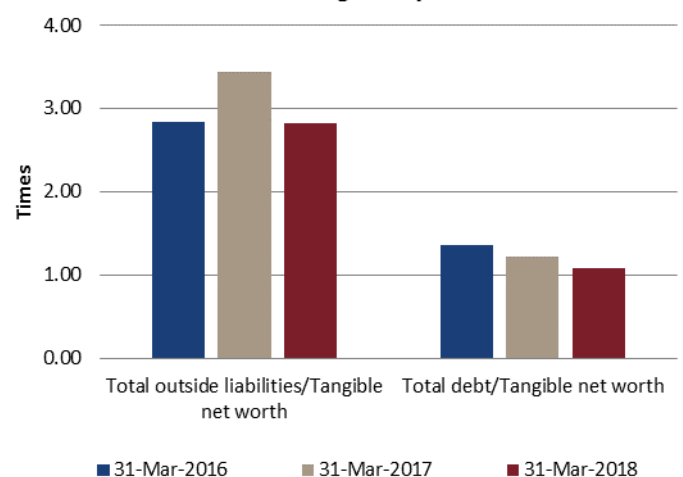
Working capital analysis



Asset Profile



Leverage analysis



Banking facilities

Name and location of the bank	Length of relationship	Facilities availed	Type of facility	Loan amount	Rate (%)
Federal Bank, Hyderabad	5 years	Vehicle loan	Fund-based limit	Rs 7.00 lakh*	9.80
		Term loan	Fund-based limit	Rs 17.45 lakh*	
		Term loan	Fund-based limit	Rs 350.00 lakh*	9.50
		Cash credit	Fund-based limit	Rs 750.00 lakh*	
Kotak Mahindra Bank	6 months	Term loan	Fund-based limit	Rs 18.52 lakh*	10.15

*Outstanding as of fiscal 2018

Note: Account performance is satisfactory.

Site visit (As per previous report)

Address of the site visited	:	Survey No:85 & 86, Plot No:11 & 15 Surya PPR Towers, 3rd Floor Kapra Hyderabad – 500 062, Telangana
Date of site visit	:	October 28, 2017
CRISIL representative	:	M.Channpp
Unit official contacted	:	Name: B Satyanarayana Designation: Director Mobile no.: +91 9966 800 556 Email id: satyanarayana.baratam@bondada.net , satyam0306@gmail.com
No. of floors occupied	:	One Floor
Size of premises	:	5,000.00 sq ft
Number of employees at the location	:	1200 (at the time of visit)
Child labour at the site	:	No
Locality	:	Commercial
Location area	:	Urban
Site location	:	Main road
Site used as	:	<ul style="list-style-type: none"> • Administrative office • Sales office
Site layout	:	Spacious and well-organised
Space around the building/structure	:	Front porch
State of infrastructure	:	<ul style="list-style-type: none"> • Power: Stable • Backup power: Available • Water: Available • Labour unions: Does not exist • Transportation: Easily available • Overall infrastructure: Satisfactory
Electricity consumption	:	<ul style="list-style-type: none"> • July 2017: 2,328 units • August 2017: 1,840 units • September 2017: 2,264 units
Building structure	:	Permanent structure
Ownership of premises	:	Leased
Sharing premises with group firm's/company's	:	No
Facilities available at the site	:	<ul style="list-style-type: none"> • Telephone • Internet • Fax • Elevator • Generator • Security guards • Name or signboards • Fire extinguisher

	<ul style="list-style-type: none">• Transport arrangement• Drinking water• Boundary wall• Drainage and sewerage• Pantry and canteen
Installed capacity	<ul style="list-style-type: none">• AAC: 1.5 lakh cubic meter per annum• UPVC Windows: 6.00 lakh sq. ft. per annum• Steel Tower: 24,000.00 metric tonnes per annum
Utilised capacity	75.00 per cent
Raw material used	Cement, steel, sand, aggregate
Source of raw material	Hyderabad
Environment clearance obtained by unit	Not applicable

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CRISIL SME Ratings Contacts

Head Office

CRISIL House

Central Avenue
Hiranandani Business Park
Powai, Mumbai 400 076

Tel: +91 22 3342 3000

Fax: +91 22 3342 3001

Contact: Mr. Rahul Prasad

E-mail: rahul.prasad@crisil.com

CRISIL Branch Offices

Ahmedabad

Unit No. 706, 7th Floor,
Venus Atlantis, Prahladnagar,
Satellite, Ahmedabad - 380015
INDIA

Phone : +91 79 4024 4500

Fax : +91 79 4024 4520

Contact: Mr. Pranav Ranjan

E-mail: pranav.ranjan@crisil.com

Bengaluru

W - 101, 1st floor, Sunrise
Chambers, 22, Ulsoor Road,
Bengaluru - 560042
INDIA

Phone: +91 80 4244 5399

Fax: +91 80 4244 5300

Contact: Mr. Bharath BC

E-mail: bharath.bc@crisil.com

Chennai

Thapar House, Mezzanine Floor,
No. 37 Montieth Road,
Egmore,
Chennai - 600 008
INDIA

Phone: +91 44 2854 6205 - 06 /
91-44-2854 6093

Fax: +91 44 2854 7531

Contact:

Mr. Surendran Jayasankaran

E-mail:

surendran.jayasankaran@crisil.com

Gurgaon

CRISIL House
Plot No. 46, Sector 44,
Opp PF Office, Gurgaon,
Haryana,
INDIA
Phone: +91 0124 672 2000

Contact:

Mr Kunal Raman

E-mail: kunal.raman@crisil.com

Hyderabad

Uma Chambers, 3rd Floor,
Plot No. 9&10, Nagarjuna Hills,
Near Punjagutta Cross Road
Hyderabad - 500 082
INDIA

Phone: +91 40 2335 8103 - 05

Fax: +91 40 2335 7507

Contact: Mr. Bharath BC

E-mail: bharath.bc@crisil.com

Kolkata

Convergence Building
3rd Floor, D2/2, EPGP Block
Sector V, Salt Lake City,
Kolkata - 700 091
INDIA

Phone: +91 33 4011 8200

Fax: +91 33 4011 8250

Contact: Ms. Sona Singh

E-mail: sona.singh@crisil.com

Mr. Rashid Raza Jafri

E-mail: rashid.syed@crisil.com

Pune

1187/17, Ghole Road
Shivaji Nagar
Pune 411 005

Tel: +91 20 4018 1900

Fax: +91 20 4018 1930

Contact:

Mr. Rahul Prasad

E-mail: rahul.prasad@crisil.com

Ms Renu Chauhan

Email: renu.chauhan@crisil.com

Other Contact Points

Coimbatore

CRISIL Limited

New No. 750-7, Old No. 1055-6,
1st Floor Gowtham Centre.

Opposite Nilgiris, Avinashi Road

Coimbatore – 641 018

Tel: +91 422 224 4559

Contact: Mr. Balakrishnan B

E-mail:

balakrishnan.b@crisil.com

Mohali/ Chandigarh

CRISIL Limited

SCF-29, Top Floor, Phase -5

Mohali- 160055

Tel: +91 172 502 7196 / 97

Contact:

Mr. Tejinder Pal Singh

E-mail:

tejinderpal.singh@crisil.com

Mr. Dharmesh Handa

E-mail:

dharmesh.handa@crisil.com

New Delhi

S 205, Dev Tower,

Samachar Market,

Mayur Vihar, Ext Phase I,

New Delhi – 110091

Contact:

Mr Kunal Raman

E-mail: kunal.raman@crisil.com

Mr. Amit Swarnkar

E-mail:

amit.swarnkar@crisil.com

CRISIL SME Ratings Contacts

Head Office

CRISIL House

Central Avenue
Hiranandani Business Park
Powai, Mumbai 400 076

Tel: +91 22 3342 3000

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E-mail:
Surendran.Jayasankaran@crisil.com

CRISIL Branch Offices

Bengaluru

W - 101, 1st floor, Sunrise
Chambers, 22, Ulsoor Road,
Bengaluru - 560042

INDIA

Phone: +91 44 66563128

Fax: +91 80 4244 5300

Contact: Mr. Surendran
Jayasankaran

E-mail:
Surendran.Jayasankaran@crisil.com

Chennai

Thapar House, Mezzanine Floor,
No. 37 Montieth Road,
Egmore,
Chennai - 600 008
INDIA

Phone: +91 44 66563128

Fax: +91 44 2854 7531

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E-mail:
surendran.jayasankaran@crisil.com

Gurgaon

CRISIL House
Plot No. 46, Sector 44,
Opp PF Office, Gurgaon,
Haryana,
INDIA

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Hyderabad

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INDIA

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Surendran.Jayasankaran@crisil.com

Kolkata

Convergence Building
3rd Floor, D2/2, EPGP Block
Sector V, Salt Lake City,
Kolkata - 700 091
INDIA

Phone: +91 44 66563128

Fax: +91 33 4011 8250

Contact: Mr. Surendran
Jayasankaran

E-mail:
Surendran.Jayasankaran@crisil.com

Pune

1187/17, Ghole Road
Shivaji Nagar
Pune 411 005

Phone: +91 44 66563128

Fax: +91 20 4018 1930

Contact: Mr. Surendran
Jayasankaran

E-mail:
Surendran.Jayasankaran@crisil.com

Other Contact Points

Coimbatore

Coimbatore

CRISIL Limited
New No. 750-7, Old No. 1055-6,
1st Floor Gowtham Centre.

Opposite Nilgiris, Avinashi Road
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Phone: +91 44 66563128

Contact: Mr. Surendran
Jayasankaran

E-mail:
Surendran.Jayasankaran@crisil.com

New Delhi

S 205, Dev Tower,
Samachar Market,
Mayur Vihar, Ext Phase I,
New Delhi – 110091

Contact:

Phone: +91 44 66563128

Contact: Mr. Surendran
Jayasankaran

E-mail:
Surendran.Jayasankaran@crisil.com