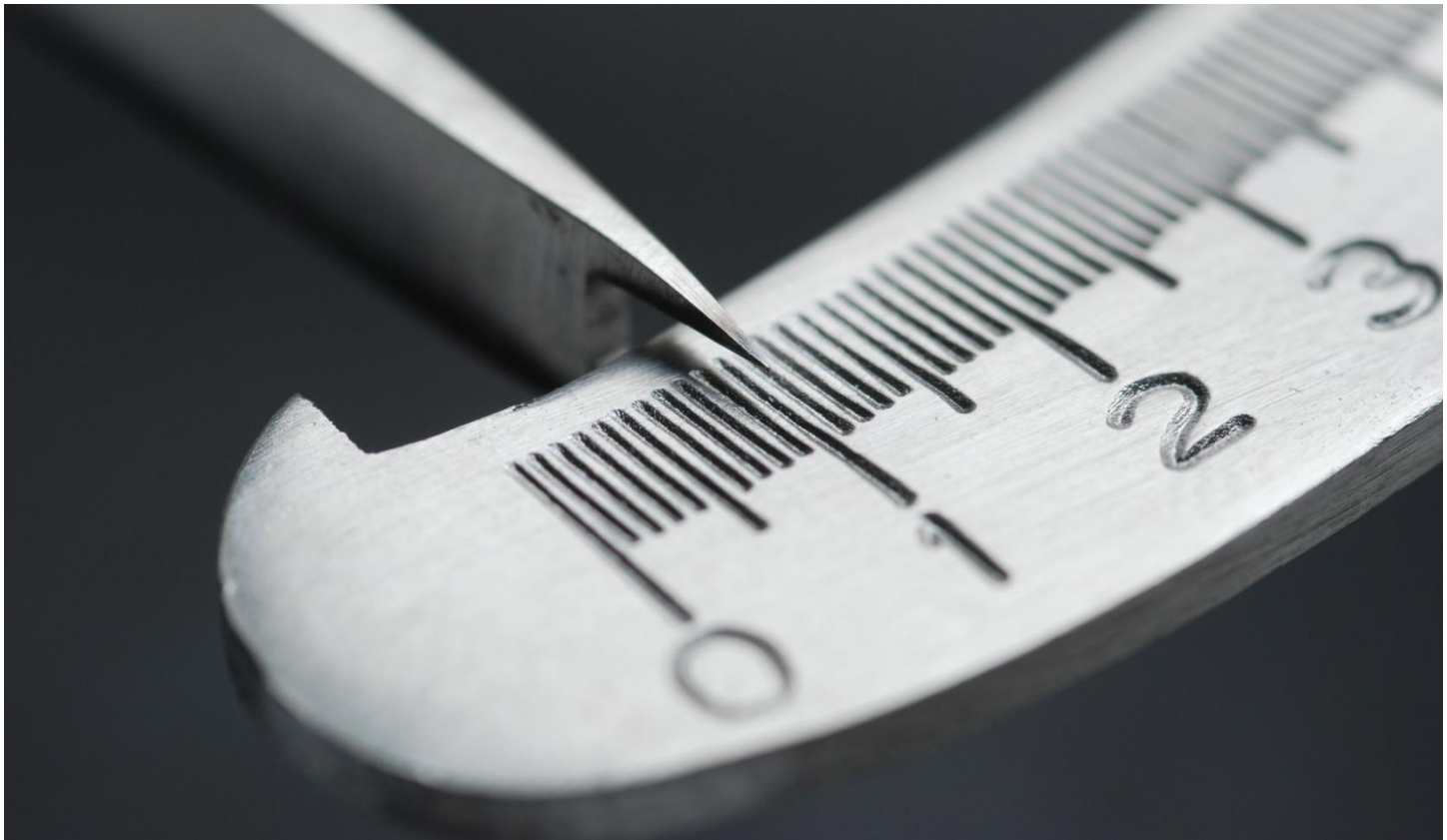


Bondada Engineering Private Limited

CRISIL Grading: CRISIL SME 1

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

Report Date: December 23, 2021 / Valid Till: December 22, 2022



Important notice

The grading is a one-time exercise and the grading will not be kept under surveillance. This grading 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 grading seeks a review of the grading, if the organisation experiences significant changes/events during this period, which could impact the organisation/its grading.

The grading 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 grading and the report are based and is not responsible for any errors or omissions for the results/opinions obtained from the use of the grading or the grading report. The grading does not constitute an audit of the organisation by CRISIL. The grading 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 grading and the grading 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 SME Grading

SME 1 indicates 'Highest' creditworthiness in relation to other SMEs	CRISIL SME Rating	Definition
	SME 1	Highest
	SME 2	High
	SME 3	Good
	SME 4	Above Average
	SME 5	Average
	SME 6	Below Average
	SME 7	Weak
	SME 8	Poor

Grading history

Grading	Financial Strength	Operating Performance	Assigned on	Valid till	Grading acceptance	Type
MSE 1	Highest	Highest	6-Oct-20	5-Oct-21	Grading accepted	Renewal
MSE 1	Highest	Highest	7-Oct-19	5-Oct-20		
MSE 1	Highest	Highest	7-Oct-18	6-Oct-19		
MSE 1	Highest	Highest	7-Oct-17	6-Oct-18		
MSE 1	Highest	Highest	7-Oct-16	6-Oct-17		New

Key grading drivers

Business and management

Strengths	<ul style="list-style-type: none"> • Organisational stability with management's extensive knowledge: An established track record of 8 years indicates the company's ability to weather economic and business cycles. Directors have more than 2 decades of experience in the business. Over the years they have gained a strong understanding of market trends. Their long-standing presence in the industry has also helped the company build up the ability to withstand business cycles. The company is expected to continue to benefit from its director's extensive industry knowledge and insights. • Well-defined organisational structure: The company has a qualified and experienced second-tier management with decision-making powers. It derives significant benefits from the strong reputation and extensive experience of its senior management. • Smooth flow of operations: Established relationships with customers and suppliers ensure uninterrupted flow of business operations. • Certification: The company has an ISO 9001:2015 and URS quality certification and which ensures adherence to high quality standards and enhances its brand value and demand prospects. • Strong business model: The company has demonstrated secular growth in revenue for the past 3 financial years, which is reflected in increase in net sales to Rs 28,448.59 lakh in fiscal 2021 from Rs 21,917.41 lakh in fiscal 2018. Strength of the business model reflected in a compound annual growth rate of 13.93% in revenue over the past 3 years. Also, the company has envisaged sales of Rs 34,000.00 lakh for fiscal 2022.
Risk factors	<ul style="list-style-type: none"> • Moderate profitability: The company registered an adequate operating profit before depreciation, interest, and tax (OPBDIT) margin of 5.70% and profit after tax (PAT) margin of 3.56% in fiscal 2021. • Competition from organised and unorganised players: The company operates in the highly competitive and fragmented business. The entry barriers in the business are low, and numerous players operates in the industry. It faces stiff competition from the large, organized player.

Financial

Strengths	<ul style="list-style-type: none"> • Adequate return on capital employed (RoCE): Return on capital employed (RoCE) of the company has remained adequate as reflected in RoCE of 18.85% in fiscal 2021. • Adequate capital structure: The company has comfortable gearing of 1.00 times as of March 31, 2021 on account of low reliance on bank debt to fund its working capital requirements and funding support from promoters in the form of unsecured loans. Moreover, the company does not have any major long-term debt in its books. CRISIL believes the gearing will remain comfortable over the medium term on account of low reliance on external debt to fund its working capital requirements. • Adequate debt protection metrics: The debt protection metrics are adequate with interest coverage and net cash accrual to total debt ratio of 4.81 times and 25.69% respectively for fiscal 2021. • High financial flexibility: The company has high financial flexibility as reflected in tangible net worth of Rs 4,837.23 lakh, net cash accruals of Rs 1,228.84 lakh, investment of Rs 44.49 lakh and cash and bank balance of Rs 440.83 lakh as of fiscal 2021.
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Risk factors

- **Moderate liquidity:** The company has moderate cash to meet its debt obligations as reflected in cash/total outside liabilities ratio of 4.01% as of fiscal 2021, which reflects moderate liquid cash available to meet its debt obligations.
- **Working capital intensive nature of operations:** The company's operations are working capital intensive in nature, marked by GCA of 203 days as of fiscal 2021. Its inventory days stood at 72 days and debtor days stood at 103 days as of fiscal 2021. The company partly funds its working capital requirement through creditor days of 24 days. Its ability to strengthen its working capital management remains to be seen.

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 name, business, management or constitution since then.
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
Manufacturing facilities	Survey No. 85 and 86, Ramachandrinipet (V) Jagaipet, Krishna – 521 175, Andhra Pradesh
Number of employees	Permanent: 4,000 Contractual: 100 Total: 4,100
Certifications and awards	<ul style="list-style-type: none"> • ISO 9001:2015 (valid till August 2022) • URS (valid till August 2022)
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 <p>(As provided by the management, not independently verified)</p>

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 3 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 two warehouses in Hyderabad admeasuring around 4,000 yards and the other in Pune, Rampali 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	:	9 years
Product range	:	Diverse
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:**

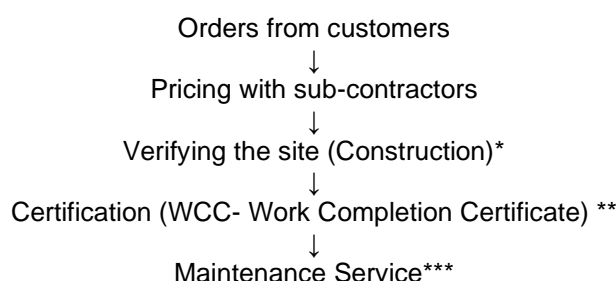
- Site survey and layout preparation
- Structural designs and drawings for industrial and residential buildings
- Architectural plans
- Site inspections, quality, and quantity audits

❖ **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:**

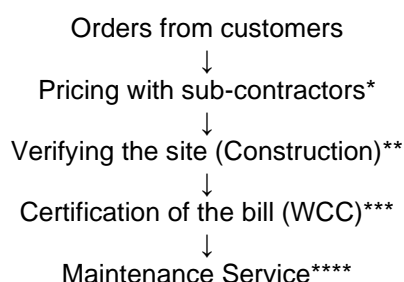
- The company provides turnkey services, including:
 - Tower foundations
 - Tower erections
 - Stringing of conductors¹
- The company is into design evaluation of new sites and reverse engineering analysis of existing towers.
- The company gives foundation designs for ground based and roof top towers, 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.

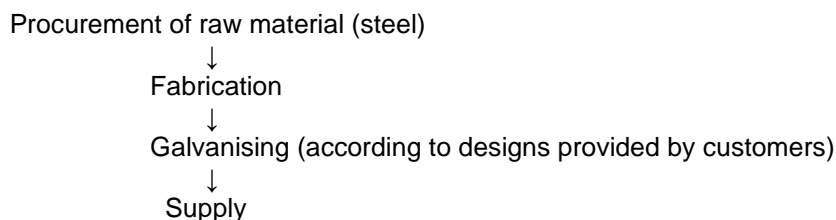
***The company provides WCC to its clients where 95.00% payment is made and 5.00% is kept as retention cost for future uncertainties.

****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	47.00
Power sector	11.00
UPVC windows and doors	3.00
Autoclaved AAC	7.00
Solar	17.00
Tower manufacturing plant	15.00
Total	100.00

Customer profile and demand-side analysis

Customer name	Product	Length of relationship	% share in sales
Reliance Industries Limited (Long-term/CRISILAAA/Stable/Short-term/CRISILA1+)	Telecom Towers	9 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	6 years	5.00
Tata Projects Limited (Short-term/CRISILA1+)			
ZTE India Private Limited	Telecom towers	6 years	Varies annually
Adani Group	Solar power plants		
Axis Energy			
Greenco Group			
ATC Idea Cellular Services		4 years	5.00
KPI Global India Limited		3 years	
Tata Communications and Transformation Services Limited	Telecom towers	2 year	Varies annually
AIRTEL	Telecom Towers	1 year	

Notes:

- Each customer accounts for less than 25% of the total sales.
- The company caters to 115 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. • 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	:	Wide-spread

Supplier profile and supply-side analysis

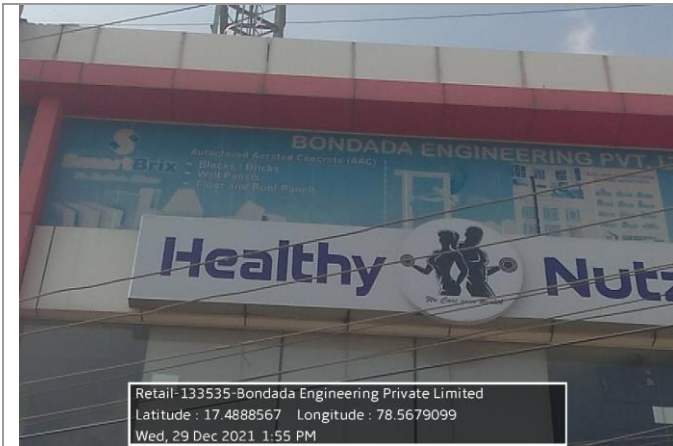
Supplier's / Wholesaler's name	Product	Length of relationship
IVRCL Limited	Conductors and cable trays	9 years
Skyylives Electronics Private Limited		
GR Power Switchgear Limited		
Gupta Steels		
MCE Industries		
Mehta Engineering Corporation		
N. Veeravenkaiah		
Om Sri Sai Ganesh Enterprises		
Om Sri Lahari Shanthi Enterprises		
Sai Ram Enterprises		
Sanvi Electronics		
Sri Victory Traders		
Talib Tools Traders		

Terms of purchase	:	Credit up to 40 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

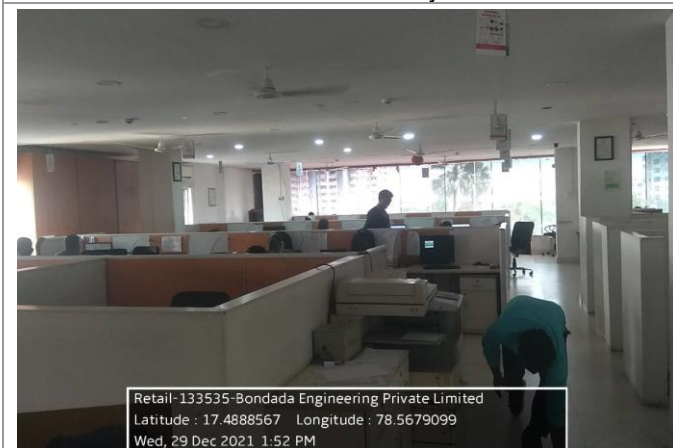
Photographs of the facility:



View of the facility-1



View of the facility-2



View of the facility-3



View of the facility-4

Ownership and management

Directors' profile

Director's name	:	Raghavendra Rao Bondada
Age	:	47 years
Qualification	:	BTech
Designation / responsibilities	:	Managing director/Overall management
Promoters' experience in current business	:	9 years
Experience in the same line of business (including current experience)	:	23 years in design, construction, and maintenance works, in the engineering field, apart from establishing and maintaining factory facilities
Personal net worth	:	Details sought by CRISIL, not provided by the 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	:	42 years
Qualification	:	CA
Designation / responsibilities	:	Executive Director/Overall management
Promoters' experience in current business	:	
Experience in the same line of business (including current experience)	:	9 years through the graded company
Personal net worth	:	Details sought by CRISIL, not provided by the 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	:	39 years
Qualification	:	BTech
Designation / responsibilities	:	Director/Inactive
Promoters' experience in current business	:	Not applicable
Experience in the same line of business (including current experience)	:	
Personal net worth	:	Details sought by CRISIL, not provided by the company
Director's address	:	1-1-1-7/66 and 67 Ovla Shankaramma Colony, Kapra Hyderabad – 500 062, Telangana
Telephone no.	:	+91 9885 088 310

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

Key management personnel

Name	:	D Uma Mahesheswara Rao
Age	:	43 years
Qualification	:	BTech
Designation / responsibilities	:	General Manager/Telecom sector (construction)
Relevant experience	:	22 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	:	48 years
Qualification	:	MBA
Designation / responsibilities	:	General Manager/ Power Sector
Relevant experience	:	23 years: <ul style="list-style-type: none"> 19 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	:	M V L N Murthy
Age	:	54 years
Qualification	:	Graduate
Designation / responsibilities	:	General manager/Operations and maintenance
Relevant experience	:	36 years
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	:	43 years
Qualification	:	BT Graduate
Designation / responsibilities	:	Business Head Design
Relevant experience	:	17 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	:	42 years
Qualification	:	BTech
Designation / responsibilities	:	Head/Tower plant
Relevant experience	:	19 years
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	:	43 years
Qualification	:	BTech
Designation / responsibilities	:	Manager services
Relevant experience	:	18 years
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	:	29 years
Qualification	:	BTech (Civil)
Designation / responsibilities	:	Head/ UPVC windows and doors
Relevant experience	:	11 years
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	:	ERP system
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 forex risks (for Sales)	:	
Hedging against forex risks (for raw material)	:	
Hedging against commodity prices	:	
Asset insurance	:	Adequate

Ownership pattern

Shareholding pattern as of:	fiscal 2021
-----------------------------	-------------

Name of the shareholder	Relationship with managing director	Share in capital (%)
Raghavendra Rao Bondada	Self	64.15
Bondada Neelima	Wife	13.90
Satyanarayana Baratam	Business associates	12.20
Others		9.75
	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-20	Details sought by CRISIL, not provided by the 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 from April 1 to November 30, 2021		
Net sales	Rs lakh	22,347.00
OPBDIT	Rs lakh	2,011.23
Current order book	Rs lakh	18,200.00
Debtors	Rs lakh	7800.00
Creditors	Rs lakh	3000.00
Capital	Rs lakh	Details sought by CRISIL, not provided by the company
Total debt	Rs lakh	
Total debt- equity ratio	Times	

Projected performance for		FY21*
Net sales	Rs lakh	34,000.00
PBT	Rs lakh	3,060
PBT margin	%	9.00

* Management projection

Notes: Management has estimated higher revenue for fiscal 2021 due to receipt of monthly order worth Rs 700.00 lakh for operations and maintenance of Reliance Jio tower.

Impact of COVID 19: Due to pandemic COVID 19 lockdowns announced by Government of India, company's operations were closed for late March, April and May 2020 and it resumed its operations in June 2020. Company was not able to raise the bills worth Rs 2,267.00 lakh due to COVID 19.

Past financial performance

Profit and loss account

For the year ended		FY19	FY20	FY21
		Audited	Audited	Provisional
Number of months		12	12	12
Net sales	Rs lakh	21,917.41	22,608.95	28,448.59
Operating income	Rs lakh	22,402.88	22,940.65	28,710.39
Cost of sales	Rs lakh	20,448.24	21,100.03	27,073.47
OPBDIT	Rs lakh	1,954.63	1,840.62	1,636.92
Interest and finance costs	Rs lakh	155.58	235.06	384.03
OPBDT	Rs lakh	1,799.05	1,605.56	1,252.88
Depreciation	Rs lakh	204.05	216.14	196.16
OPBT	Rs lakh	1,595.00	1,389.42	1,056.72
Non-operating income / (expense)	Rs lakh	10.42	8.06	122.99
PBT	Rs lakh	1,605.42	1,397.48	1,179.72
Extraordinary income / (expense)	Rs lakh	(4.07)	-	85.61
Reported PBT	Rs lakh	1,601.35	1,397.48	1,265.32
Provision for taxes	Rs lakh	463.34	392.04	319.19
Deferred tax liability / (asset)	Rs lakh	(1.37)	(18.10)	(76.82)
PAT	Rs lakh	1,139.38	1,023.54	1,022.96
Dividends	Rs lakh	-	-	-
Net cash accruals	Rs lakh	1,353.15	1,239.68	1,228.84

Notes:

- Revenue of the company exhibited an increasing trend throughout the 3 fiscal years. The growth impetus for the three-year period is approximately CAGR of 13.93%. Net sales increased in fiscal 2021 due to increase in revenue through tower manufacturing unit.
- Operating income in fiscal 2021 comprised revenue from job work services worth Rs 68.84 lakh and sale of scrap worth Rs 192.96 lakh.
- Interest and finance costs for fiscal 2021 comprised interest on borrowings worth Rs 362.30 lakh and bank charges worth Rs 21.73 lakh.
- Depreciation was charged according to the provisions of the Companies Act, 2013.
- Non-operating income during fiscal 2021 refers to interest received of Rs 1.25 lakh and profit from sale of undertakings worth Rs 120.12 lakh.
- Deferred tax was provided over the past three years (fiscal 2021, fiscal 2020, and fiscal 2019) according to the provisions of the Companies Act, 2013.

Balance sheet

		FY19	FY20	FY21
		Audited	Audited	Provisional
Liabilities				
Tangible net worth	Rs lakh	2,856.89	3,899.88	4,837.23
Deferred tax liabilities / (assets)	Rs lakh	35.62	17.53	(59.30)
Long-term debt	Rs lakh	1,177.29	781.92	1,035.83
<i>of which, current portion of long-term debt</i>	<i>Rs lakh</i>	<i>85.88</i>	<i>89.34</i>	<i>307.72</i>
Short-term debt	Rs lakh	1,427.60	3,251.55	3,746.99
<i>of which, working capital borrowing from banks</i>	<i>Rs lakh</i>	<i>1,427.60</i>	<i>3,251.55</i>	<i>3,746.99</i>
Other liabilities and provisions	Rs lakh	5,170.25	6,053.43	7,095.77
Total liabilities	Rs lakh	10,667.65	14,004.31	16,656.52
Assets				
Net fixed assets	Rs lakh	1,392.13	1,301.37	460.14
Investments	Rs lakh	44.31	67.27	44.49
Inventory	Rs lakh	2,949.10	3,562.09	5,309.25
Receivables (total)	Rs lakh	4,554.82	7,860.53	8,040.34
<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	662.19	30.52	440.83
Other current assets	Rs lakh	1,065.10	1,182.53	2,361.47
Total assets	Rs lakh	10,667.65	14,004.31	16,656.52

Notes:

- Long-term debt as of fiscal 2021 comprised:
 - Term loan of Rs 535.56 lakh from Federal Bank
 - Loan from Directors worth Rs 440.89 lakh
 - Vehicle loan of Rs 59.77 lakh from Federal Bank
- Short-term debt as of fiscal 2021 comprised cash credit facility of Rs 3,579.24 lakh availed from Federal Bank, letter of credit facility availed from Federal Bank, HDFC Bank loan of Rs 37.06 lakh and Rs 130.68 lakh from Yes Bank.
- Other liabilities and provisions as of fiscal 2021 comprised:
 - Creditors for goods of Rs 504.54 lakh
 - Provisions of Rs 818.96 lakh
 - Advance from customers of Rs 313.17 lakh
 - Creditors for expenses of Rs 2,303.37 lakh
 - Creditors for capital goods of Rs 21.82 lakh
 - Statutory remittances, employee benefits and other current liabilities Rs 3,133.91 lakh
- Investments as of fiscal 2021 comprised fixed deposits worth Rs 33.49 lakh and investment in shares worth Rs 11.00 lakh.
- Inventory as of fiscal 2021 comprised raw materials of Rs 636.34 lakh, work in progress of Rs 4,494.29 lakh, and finished goods of Rs 178.61 lakh.
- Other current assets as of fiscal 2021 comprised:
 - Loans and advances of Rs 1,999.39 lakh and advance to employees of Rs 103.14 lakh
 - Loans and advances of Rs 186.76 to subsidiary company.
 - Prepaid expenses of Rs 21.84 lakh and other deposits of Rs 48.72 lakh
 - Interest accrued but not due of Rs 1.63 lakh.

Key financial ratios

For the year ended / as at		FY19	FY20	FY21
		Audited	Audited	Provisional
OPBDIT margin	%	8.72	8.02	5.70
PAT margin	%	5.09	4.46	3.56
Return on capital employed	%	38.65	24.28	18.85
Gross current assets	days	139	201	203
Days inventory (on COP)	days	53	62	72
Days receivable (on gross sales)	days	76	127	103
Days payable (on materials)	days	123	151	24
Current ratio	Times	1.38	1.35	1.46
PBDIT Interest cover	Times	12.60	7.86	4.81
Net cash accruals/Total debt	%	51.95	30.73	25.69
Debt service coverage ratio	Times	4.21	2.59	2.16
Average cost of borrowing	%	6.98	7.08	8.71
Total outside liabilities/Tangible net worth	Times	2.73	2.59	2.44
Gearing - Total debt/Tangible net worth	Times	0.91	1.03	0.99
Gearing (considering promoter loans as neither debt nor equity)	Times	0.64	0.97	0.90
Cash /TOL	%	8.90	0.86	4.01

Notes:

- OPBDIT and PAT margins exhibited a declining trend across the three fiscal years on account of decrease in employee costs and selling expenses as a percent of the turnover.
- Receivables and payables as on fiscal 2021, fiscal 2020, and fiscal 2019 were stretched. (Details sought by CRISIL, not provided by the company).
- Moderate liquidity as reflected in current ratio of 1.46 times, cash/total outside liabilities ratio of 4.01% and quick ratio of 1.48 times for fiscal 2021.
- Moderate capital structure as reflected in gearing (considering promoter loans as neither debt nor equity) of 0.90 times for fiscal 2021.

Fund flow statement

For the year ended		FY20	FY21
Sources of funds			
Net cash accruals	Rs lakh	1,249.41	1,228.84
Equity infusion / Share application money	Rs lakh	(9.73)	-
Long-term debt borrowed (net)	Rs lakh	-	236.88
Short-term debt borrowed (net)	Rs lakh	1,979.17	512.47
Decrease in net current assets	Rs lakh	-	-
Sale of investments / fixed assets	Rs lakh	-	645.07
Other sources	Rs lakh	26.24	82.96
Total sources of funds	Rs lakh	3,245.09	2,686.77
Uses of funds			
Investment and fixed assets purchased	Rs lakh	138.55	76.82
Decrease in tangible net worth	Rs lakh	-	66.15
Long-term debt repaid (net)	Rs lakh	550.60	-
Short-term debt repaid (net)	Rs lakh	-	-
Increase in net current assets	Rs lakh	2,546.18	2,435.79
Other uses	Rs lakh	9.76	108.01
Total uses of funds	Rs lakh	3,245.09	2,696.50

Notes:

- Other uses in fiscal 2020 refers to decrease in creditors for capital goods.

Contingent liabilities

Contingent liabilities as on fiscal 2021: Nil

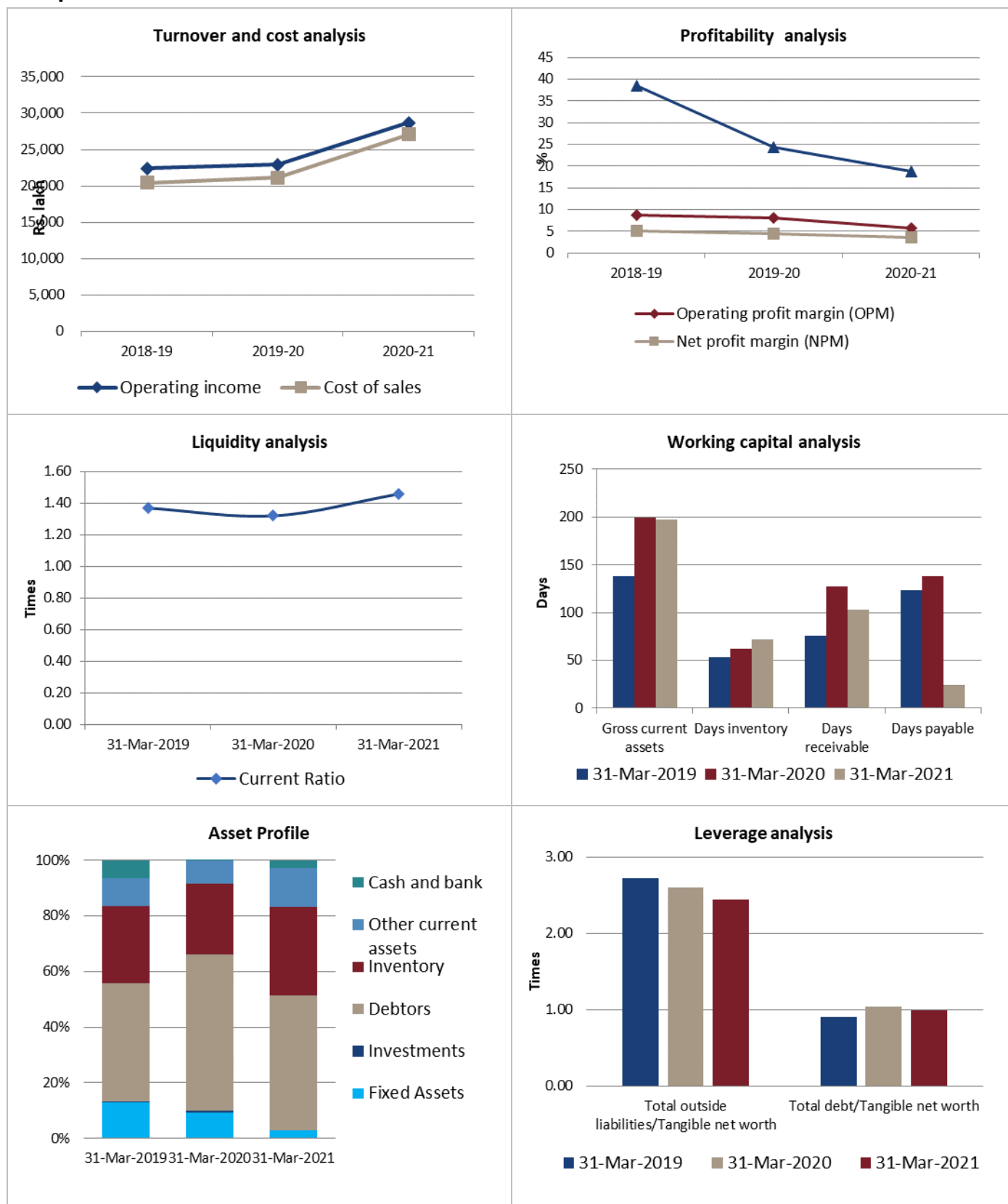
Auditors

Lalith Prasad and Company; Chartered Accountants
Membership no: 023665
402 Golden Green Arartments, 6-3-542/1 Punjagutta
Hyderabad – 500 082, Andhra Pradesh

Auditors' comments and observations in their audit report for fiscal 2020, fiscal 2019, and fiscal 2018: No adverse comment

Change in auditors, if any: None

Graphs



Banking facilities

Name and location of the bank	Length of relationship	Facilities availed	Type of facility	Loan amount	Rate (%)
Federal Bank	6 years	Vehicle loan	Fund-based limit	Rs 59.77 lakh*	Details sought by CRISIL, not provided by the company
		Cash credit		Non-fund-based limit	
		Letter of credit	Channel facility loan		
		Bank guarantee		Term loan	
Yes Bank	Details sought by CRISIL, not provided by the company	Channel facility loan			
HDFC Bank		Term loan			

*Outstanding as of fiscal 2021

**Sanctioned limit

Feedback: Satisfactory

Site visit

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	:	29-Dec-2021
Unit official contacted	:	Name: Mr. Satyanarayana Baratam (Director)
	:	Designation: Director
	:	Mobile no.: +91 9966 800 556
	:	Email ID: satyanaraya.baratam@bondada.net
No. of floors occupied	:	1
Size of premises	:	5000 sq mt
Number of employees at the location	:	65 (at the time of site visit)
Child labour at the site	:	No
Labour type	:	Skilled
Locality	:	Commercial
Location area	:	Urban
Site location	:	Main Road
Site used as	:	<ul style="list-style-type: none"> • Administrative office • Regional office
Site layout	:	Spacious and well-organised
Space around the building / structure	:	<ul style="list-style-type: none"> • Front porch • Backyard • Side space
State of infrastructure	:	<ul style="list-style-type: none"> • Power: Stable • Backup power: Available • Water: Available • Labour unions: None • Transportation: Easily available • Overall infrastructure: Satisfactory
Electricity consumption	:	<ul style="list-style-type: none"> • September 2021: 23,000 units • October 2021: 25,000 units • November 2021: 24,000 units
Building structure	:	Permanent
Ownership of premises	:	Owned
Sharing premises with group concerns	:	No
Facilities available at the site	:	<ul style="list-style-type: none"> • Telephone • Internet • Generator • Security guards • Name or sign boards • Fire extinguisher • Drinking water • Transport arrangement
Installed capacity	:	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%
Raw material used	:	Not Applicable

Source of raw material	:	India
Environmental clearance obtained by unit	:	Not Applicabe

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