

Press Release

Unitech International Limited

December 09, 2021



Rating Downgraded and Issuer not co-operating

Product	Initial Quantum (Rs. Cr.)	Net Quantum (Rs. Cr.)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	20.00		ACUITE A4 Downgraded Issuer not co-operating*
Bank Loan Ratings	20.00	20.00	ACUITE C Downgraded Issuer not co-operating*	
Total	-	40.00	-	-

Rating Rationale

Acuité has downgraded the long term-rating from '**ACUITE BB**' (read as **ACUITE double B**) to '**ACUITE C**' (read as **ACUITE C**) and short term rating from '**ACUITE A4+**' (read as **A Four plus**) to **ACUITE A4** (read as **ACUITE A Four**) on the Rs.40.00 crore bank facilities of Unitech International Limited (UIL). The rating continues to be flagged as 'Issuer Not Cooperative' and is based on best available information.

Rationale for revision of ratings

The revision in rating is led by delay in repayment of the term loans (not rated by ACUITE). The banker has further stated that interest is not serviced in Cash Credit account (rated by ACUITE) in frequent instances. Further, as the outstanding rating of the entity is at 'NCI', there also exist information risk.

About the Company

UIL, incorporated as a public limited company in 1994, is engaged in the trading of engineering polymers, co-polymers, compound polymer and ferrous and non-ferrous metals. These are used as raw material for making alloy steel products. UIL sells its products to auto parts manufacturing companies, surgical equipment manufacturing companies among others in Maharashtra. The company has begun manufacturing of plastic polymer and regenerated monomer from June, 2017 at Thane and Silvassa.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators

"No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon.

Status of non-cooperation with previous CRA

Not Applicable

Any other information

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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
02 Jan 2020	Letter of Credit	Short Term	12.50	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	12.50	ACUITE BB (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	7.50	ACUITE BB (Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	7.50	ACUITE A4+ (Issuer not co-operating*)
29 Oct 2018	Proposed Letter of Credit	Short Term	7.50	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	12.50	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	12.50	ACUITE BB Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	7.50	ACUITE BB Stable (Assigned)
19 Jul 2018	Cash Credit	Long Term	5.00	ACUITE BB Stable (Assigned)
	Letter of Credit	Short Term	14.00	ACUITE A4+ (Assigned)
12 Jan 2018	Cash Credit	Long Term	5.00	ACUITE BB Stable (Assigned)
	Letter of Credit	Short Term	14.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Initial Quantum (Rs. Cr.)	Net Quantum (Rs. Cr.)	Rating
Bank of Maharashtra	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.50	12.50	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BB)
Bank of Maharashtra	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	12.50	12.50	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.50	7.50	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BB)
Not Applicable	Not Applicable	Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	7.50	7.50	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
J. Subhadra Senior Analyst-Rating Operations Tel: 022-49294065 j.subhadra@acuite.in	

About Acuité Ratings & Research

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,850 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.