



Press Release
United Global Corporation Limited
March 05, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	36.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	132.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	168.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating from '**ACUITE BBB**' (read as **ACUITE Triple B**) to '**ACUITE BB+**' (read as **ACUITE Double B Plus**) and the short-term rating from '**ACUITE A3+**' (read as **ACUITE A three plus**) to '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 168.00 Cr. bank facilities of United Global Corporation Limited (UGCL). This rating is now an indicative rating and is based on best available information. The rating has been downgraded on account of information risk.

About the Company

Karnataka based United Global Corporation Limited (Formerly known as United Infra Developers Limited) was incorporated in 2009. The company promoted by Mr. M Vamsidhar and Mr. M R Prasad is engaged in undertaking civil construction works including water supply projects, buildings, irrigation projects, industrial projects, road projects and power transmission projects in Karnataka, Andhra Pradesh, Tamil Nadu, Meghalaya and Telangana. UGCL is a registered Class 1 contractor for various departments including Public Work Departments (PWD), Panchayat Raj Engineering Department (PRED), Public Health Engineering Department among others.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for information critical for rating exercise from the rated entity. However, the issuer / borrower failed to submit such information before due date. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

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

Liquidity Position

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

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	234.77	203.27
PAT	Rs. Cr.	11.46	9.68
PAT Margin	(%)	4.88	4.76
Total Debt/Tangible Net Worth	Times	0.57	0.58
PBDIT/Interest	Times	2.95	2.85

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Dec 2022	Cash Credit	Long Term	19.00	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Negative)
	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Negative)
	Cash Credit	Long Term	7.00	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Negative)
	Bank Guarantee/Letter of Guarantee	Short Term	50.00	ACUITE A3+ (Downgraded from ACUITE A2)
	Bank Guarantee/Letter of Guarantee	Short Term	20.00	ACUITE A3+ (Downgraded from ACUITE A2)
	Bank Guarantee/Letter of Guarantee	Short Term	28.00	ACUITE A3+ (Downgraded from ACUITE A2)
	Letter of Credit	Short Term	10.00	ACUITE A3+ (Downgraded from ACUITE A2)
	Proposed Short Term Bank Facility	Short Term	24.00	ACUITE A3+ (Downgraded from ACUITE A2)
08 Sep 2021	Cash Credit	Long Term	7.00	ACUITE BBB+ Negative (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Negative (Reaffirmed)
	Cash Credit	Long Term	19.00	ACUITE BBB+ Negative (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	24.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	28.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	20.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	50.00	ACUITE A2 (Reaffirmed)
25 Aug 2021	Cash Credit	Long Term	7.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	19.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Proposed Short Term Bank Facility	Short Term	24.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	10.00	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	28.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2 (Downgraded from ACUITE A2+)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	50.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	28.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	19.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	7.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Yes Bank Ltd	Not avl. / Not	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE A4+ Downgraded Issuer not co-

	appl.							operating* (from ACUITE A3+)
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	24.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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.

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