

Press Release

United Infra Minerals Private Limited

March 16, 2023



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	12.66	ACUITE BB+ Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	3.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	15.66	-	-

Rating Rationale

Acuite has reaffirmed the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) and the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs. 15.66 Cr. bank facilities of United Infra Minerals Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

United Infra Minerals Private Limited incorporated in 2011 is a 60 percent subsidiary of UGCL and based out of Bangalore with major operations in Telangana and Andhra Pradesh. The company is promoted by Mr M Vamsidhar and is engaged in the business of manufacturing of alternative of sand which is called manufactured sand or M-Sand, Plaster Sand or P-Sand, aggregates and fillers which are used in construction and also manufactures plaster, granular sub base, aggregates and fillers which are used as ingredients in mortar and concrete. The company markets these products under the brands NEOSAND, NEOPLAST, NEOGSB, NEOAGGREGATES and NEOFILLERS.

About the Group

United Global Corporation Limited:

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.

Sri Srinivasa Constructions India Private Limited:

Karnataka based, Sri Srinivasa Constructions India Private Limited (SSCIPL) was established in 1992 as a partnership firm by Mr. Y. Pitcheswara Rao and Mr. Y.V.S. Rama Krishna. In the year 2009, Sri Srinivasa Constructions India Private Limited (SSCIPL) was incorporated to take over the running operations of SSC. The company 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, Telangana and Chhattisgarh. SSC IPL is a registered Class 1 contractor for various departments including Public Work Departments (PWD), Panchayat Raj Engineering Department (PRED), Public Health Engineering Department (PHED) among others.

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 noncooperation 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 Acuité'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). 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.

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	507.80	666.70
PAT	Rs. Cr.	22.80	28.82
PAT Margin	(%)	4.49	4.32
Total Debt/Tangible Net Worth	Times	0.47	0.67
PBDIT/Interest	Times	3.37	3.47

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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
16 Dec 2021	Cash Credit	Long Term	7.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.45	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.71	ACUITE BB+ (Downgraded and Issuer not co-operating*)

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 Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	7.50	ACUITE BB+ Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	0.45	ACUITE BB+ Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	4.71	ACUITE BB+ Reaffirmed Issuer not co-operating*

Contacts

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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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