

Press Release

United Engineering Industries Private Limited

July 22, 2022

Rating Downgraded and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	2.80	-	ACUITE D Downgraded Issuer not co-operating*
Bank Loan Ratings	9.75	ACUITE D Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	12.55	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Refer annexure for details

*The issuer did not co-operate; Based on best available information

Rating Rationale

Acuité has downgraded its long term rating to 'ACUITE D (read as ACUITE D)' from 'ACUITE B+' (read as ACUITE B plus) and the short term rating to 'ACUITE D (read as ACUITE D)' from 'ACUITE A4' (read as ACUITE A four) on the Rs.12.55 crore bank facilities of United engineering industries private limited. The rating continues to be flagged as "Issue Not-Cooperating". The downgrade is on the basis of publicly available information that the company has delayed in servicing of its debt obligation.

About the Company

Founded in 1973 by J.V. John and Henry Sabastine as an ancillary unit United Engineering Industries, it was later incorporated into a Private limited company in 2011 by the founder who is the current Chairman of the company. The company is into heavy steel fabrication business. The directors are John Vincent John and Neil John. The company undertakes designing of heat exchangers, steel bridge girders among others for Indian railways and several power sector companies. It also offers installation and maintenance services and end-to-end solutions. The installed capacity is 12000 tonnes per annum

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 due date. This rating continues to be flagged as "Issuer notcooperating", 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.

Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

None

Status of non-cooperation with previous CRA

None

Any other information

Brickwork Ratings vide its press release dated July 19, 2022 had downgraded the rating of United engineering industries Private Limited as 'BWR D'.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 Feb 2022	Cash Credit	Long Term	8.00	ACUITE B+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	2.80	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	1.75	ACUITE B+ (Issuer not co-operating*)
07 Dec 2020	Cash Credit	Long Term	8.00	ACUITE B+ Stable (Downgraded from ACUITE BB- Stable)
	Bank Guarantee	Short Term	2.80	ACUITE A4 (Downgraded from ACUITE A4+)
	Term Loan	Long Term	1.75	ACUITE B+ Stable (Downgraded from ACUITE BB- Stable)
22 May 2019	Cash Credit	Long Term	8.00	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.75	ACUITE BB- Stable (Assigned)

	Bank Guarantee	Short Term	2.80	ACUITE A4+ (Assigned)
31 Oct 2018	Proposed Long Term Loan	Long Term	1.50	ACUITE B+ Stable (Withdrawn)
	Cash Credit	Long Term	8.50	ACUITE B+ Stable (Withdrawn)
	Bank Guarantee	Short Term	2.00	ACUITE A4 (Withdrawn)
29 Aug 2017	Cash Credit	Long Term	8.50	ACUITE B+ Stable (Assigned)
	Proposed Long Term Loan	Long Term	1.50	ACUITE B+ Stable (Assigned)
	Bank Guarantee	Short Term	2.00	ACUITE A4 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	2.80	ACUITE D Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE D Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.75	ACUITE D Downgraded Issuer not co-operating*

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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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