



## Press Release

### Uralungal Labour Contract Cooperative Society Limited (ULCCS)

**May 31, 2021**

#### **Ratings:**

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action
Long term fund-based facility- Cash Credit	697.23	IVR BB+ ISSUER NOT COOPERATING* (IVR Double B Plus ISSUER NOT COOPERATING)	Moved to ISSUER NOT COOPERATING category
<b>Total</b>	<b>697.23</b>		

#### **Details of Facilities are in Annexure 1**

#### **Detailed Rationale:**

The rating assigned to the bank facilities of ULCCS moved to the 'ISSUER NOT COOPERATING' category due to the lack of adequate information regarding Uralungal Labour Contract Co-operative Society Limited. Hence, infomerics is unable to provide the updated on the rating leading to uncertainty around its credit risk.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

#### **Non-cooperation by Issuer:**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated April 01 2021; April 14, 2021; February 10, 2021, May 10 , 2021 and May 18, 2021 and telephonic follow ups. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the bank loan ratings aggregating to INR697.23 crore of Uralungal Labour Contract Co-operative Society Limited (ULCCS) shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+; Issuer Not Co-operating; based on best available information.



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**Analytical Approach:** Standalone

**Applicable Criteria:**

Rating Methodology for Cooperative society

Financial Ratios & Interpretation (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by clients.

**About the Company:**

The Uralungal Labour Contract Cooperative Society Limited is registered as a cooperative society under Act 10 of 1952. The Society No.is 10957. Its registered office is at Madappally College (P.O), Pin 673103, Vadakara T2, Kozhikode (Dt), Kerala State.

**Financials: Standalone**

For the year ended/ As on	31-03-2018	31-03-2019
	(Audited)	(Audited)
Total Operating Income	596.12	746.61
EBITDA	79.39	141.41
PAT	2.20	3.23
Total Debt	487.23	709.00
Tangible Net-worth	272.64	297.96
<b>Ratios</b>		
EBITDA Margin (%)	13.32	18.94
PAT Margin (%)	0.36	0.43
Overall Gearing Ratio (x)	1.79	2.38

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** NA

**Rating History for last three years:**

Sr. No.	Name of Instrument /Facilities	Current Ratings (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount Outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 (April 09, 2020)	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Fund Based Facility – Cash Credit	Long Term	697.23	IVR BB+; ISSUER NOT COOPERATING*	IVR BB+/Stable Outlook	--	--



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**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

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### About Infomerics

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors



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### Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Debt – Cash Credit	--	--	--	697.23	IVR BB+; ISSUER NOT COOPERATING *

\* Issuer did not cooperate; based on best available information.