

May 19, 2023

Uni Ads Limited: Ratings downgraded and continues to remain under the Issuer Non-Cooperating Category

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|--|-----------------------------------|----------------------------------|---|
| Long Term-Fund Based-Term Loan | 13.50 | 13.50 | [ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB (Stable) and continues to remain under the 'Issuer Not Cooperating' category |
| Long Term-Fund Based-Cash Credit | 3.50 | 3.50 | [ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB (Stable) and continues to remain under the 'Issuer Not Cooperating' category |
| Short Term – Non-Fund Based – Bank Guarantee | 5.00 | 5.00 | [ICRA]A4; ISSUER NOT COOPERATING*; Rating Continues to remain under the 'Issuer Not Cooperating' category |
| Total | 22.00 | 22.00 | |

*Instrument details are provided in Annexure-I

Rationale

The rating downgrade is because of lack of adequate information regarding **Uni Ads Limited** performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. 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.

As part of its process and in accordance with its rating agreement with **Uni Ads Limited**, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers, Key financial indicators and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | Corporate Credit Rating Methodology Policy in respect of non-co-operation by the rated entity |
| Parent/Group support | Not Applicable |
| Consolidation/Standalone | Standalone |

About the company

Uni Ads Limited (UAL) was incorporated in 1982 by Mr. T. Krishna Prasad and Mr. M. Srinivas to provide OOH advertising services with key focus on transit media advertising comprising buses, bus stations, metro stations and roadways. The company had ventured into the advertising business with a tie-up with APSRTC in 1982 by advertising on the buses. Later it diversified to other mediums like bus shelters, hoardings, pillar boards, TVs in bus stations, etc. UAL has licensing contracts with Telangana State Road Transport Corporation, Greater Hyderabad Municipal Corporation (GHMC), railways, etc, for utilising the advertising space and provides services across major cities of Andhra Pradesh and Telangana.

Status of non-cooperation with previous CRA:

| CRA | Date | Rating |
|--------|-----------------|--|
| CRISIL | August 22, 2022 | CRISIL B+/Stable/CRISIL A4; ISSUER NOT COOPERATING; Rating Withdrawn |

Any other information: None

Rating history for past three years

| Instrument | Current rating (FY2024) | | | | Chronology of rating history for the past 3 years | | | | |
|-----------------------------------|-------------------------|--------------------------|--------------------------------|--|---|-------------------|-------------------------|-----------------------|-------------------------|
| | Type | Amount rated (Rs. crore) | Amount outstanding (Rs. Crore) | Date & rating in FY2024 | Date & rating in FY2023 | | Date & rating in FY2021 | | Date & rating in FY2020 |
| | | | | May 19, 2023 | Feb 17, 2023 | Apr 7, 2022 | Jan 29, 2021 | May 29, 2020 | |
| 1 Fund-based – Cash Credit | Long Term | 3.50 | - | [ICRA]B+(Stable); ISSUER NOT COOPERATING | [ICRA]BB (Stable); ISSUER NOT COOPERATING | [ICRA]BB (Stable) | [ICRA]BB+ (Stable) | [ICRA]BBB- (Negative) | - |
| 2 Fund-based – Term Loan | Long term | 13.50 | - | [ICRA]B+(Stable); ISSUER NOT COOPERATING | [ICRA]BB (Stable); ISSUER NOT COOPERATING | [ICRA]BB (Stable) | [ICRA]BB+ (Stable) | [ICRA]BBB- (Negative) | - |
| 3 Non-fund Based – Bank Guarantee | Short Term | 5.00 | - | [ICRA]A4; ISSUER NOT COOPERATING | [ICRA]A4; ISSUER NOT COOPERATING | [ICRA]A4 | [ICRA]A4+ | [ICRA]A3 | - |

Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---------------------------------|----------------------|
| Fund-based – Cash Credit | Simple |
| Fund-based – Term Loan | Simple |
| Non-fund Based – Bank Guarantee | Very Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

| ISIN | Instrument Name | Date of Issuance | Coupon Rate | Maturity | Amount Rated (Rs. crore) | Current Rating and Outlook |
|------|---------------------------------|------------------|---------------|----------|--------------------------|--|
| NA | Fund-based – Cash Credit | - | - | - | 3.50 | [ICRA]B+(Stable); ISSUER NOT COOPERATING |
| NA | Fund-based – Term Loan | February 2016 | 9.60 – 12.75% | FY2025 | 13.50 | [ICRA]B+(Stable); ISSUER NOT COOPERATING |
| NA | Non-fund Based – Bank Guarantee | - | - | - | 5.00 | [ICRA]A4; ISSUER NOT COOPERATING |

Source: Company

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Branches



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