



Press Release

Unison Metals Limited

October 10, 2025

Ratings

Instrument Facility	Amount (Rs. Crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long term Bank Facilities	14.46 (Reduced From Rs. 19.19 Crore)	IVR BBB- /Positive (IVR Triple B Minus with Positive Outlook)	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	Rating re-affirmed & Outlook revised from Stable to Positive	Simple
Short Term bank Facilities	3.29 (Reduced From Rs. 23.00 Crore)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating re-affirmed	Simple
Long/Short Term Bank Facilities (Proposed)	23.50	IVR BBB- /Positive (IVR Triple B Minus with Positive Outlook) & IVR A3 (IVR A Three)	-	Assigned	Simple
Total	41.25	Rupees Fourty One crores and Twenty Five lakhs Only.			

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

Detailed Rationale

Infomerics Ratings has reaffirmed & assigned its rating along with the change in outlook assigned to the bank facilities for the long-term facilities to IVR BBB Minus with Positive outlook and IVR A3 for the short-term facilities of Unison Metals Limited (UML)

The reaffirmation of the ratings to the bank facilities of Unison Metal Limited (UML) derives strength from extensive experience of its promoters in the Steel Industry, locational advantages of UML plant in Ahmedabad of Gujarat, a prominent steel belt, resulting in easy access to raw materials and synergy benefit from being a part of the Unison group. Further, the ratings also



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note improvement in total operating income albeit moderation in operating margins and moderate capital structure with satisfactory debt protection metrics. However, these rating strengths remain partially offset by susceptibility of profitability to volatility in raw material prices, competitive pressure due to presence in highly fragmented steel industry, working capital intensive nature of its operations and cyclical nature of the steel industry.

The Positive outlook is on account of right issue announced by the company in June 2025 which was successfully subscribed owing to which capital structure ratio improved in the projected years and significant improvement in the total operating income in 3MFY26.

IVR has principally relied on the Consolidated and standalone audited financial results of Unison Group up to FY25(A) (review period from April 01, 2024, to March 31, 2025) and 3MFY26(A) and three years projected financials till FY28, and publicly available information/clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Substantial improvement in the scale of operations and profitability margins
- Improvement in debt protection metrics
- Sustenance of the analyzed gearing below 1.00x

Downward Factors

- Significant reduction in the scale of operations and profitability margins
- Deterioration in debt protection metrics and overall gearing

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Extensive Experience of Promoters in Stainless Steel Industry



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The Group is one of the leading manufacturers of stainless-steel sheets which finds its application in kitchenware and construction industry along with sodium silicate and frit englobe. Strong track record of business operations for nearly three decades has enabled the Company to gain an in-depth understanding of the market dynamics and cope up with the latest trends in the industry. Over a period of time, the management has built up one of the most trustworthy business empires in the industry. The Board of Directors possess an experience of more than 15 years on an average and are assisted by a professional senior management and marketing team. Thus, strong track record of business operations and rich experience of the management helps in driving the future growth of business by articulating its brand in a way where the customers are attracted towards its reliable and quality products.

Improvement in Scale of Operation in FY25(A)

Total operating Income of the group improved to Rs. 315.24 Crore in FY25 against Rs. 276.74 Crore in FY24. The increase in total operating income of Unison group in FY25 was primarily driven by higher sales volumes, improved capacity utilisation, and a stronger demand environment for stainless steel products. The company benefitted from steady growth in the infrastructure, construction, and consumer durable sectors, which supported higher order inflows and stable pricing. In addition, Unison Metals expanded its product portfolio, focusing on value-added stainless-steel products such as cookware, serveware, and cold-rolled sheets, which enhanced revenue realisation and contributed to overall turnover growth.

However, the Operating margins of the unison Group declined to 4.84% in FY25 and the primary reason was an increase in raw material costs, particularly stainless-steel scrap and allied inputs, which compressed gross margins amid limited ability to fully pass on the cost escalation to customers. Additionally, higher power, fuel, and freight expenses due to inflationary pressures further impacted operating profitability.

Despite the decline in EBITDA margins, the profitability margins improved to 1.40% as on March 25 against 1.29% as on March 24. Despite a moderation in EBITDA margins, the company achieved higher overall profitability due to strong revenue growth, which led to better absorption of fixed costs and improved operating leverage. Additionally, lower finance costs on account of debt reduction and improved working capital management contributed positively to net profitability.



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The Group has achieved a total operating income of Rs. 137.47 Crore as of June 2025 against Rs. 54.36 Crore as of June 2024 representing a significant improvement of 152.89% year-on-year (YoY) growth and a 13.05% quarter-on-quarter (QoQ) increase in scale of operation primarily driven by improved capacity utilization to meet incremental orders.

Technical expertise to manufacture diversified product profile used in diverse end-user industries:

Unison Group has a diversified product portfolio comprising of stainless steel, sodium silicate and Frit engobe. The company is catering to varied key sectors like Automotive, Chemical, Defence, Machine building, Oil & Gas, Petrochemical, Energy & Power and Railways and so on. This enables the company to reap benefits of conglomeration and considerably insulate itself from any sectoral volatility.

Improvement in financial risk profile:

The Group has a comfortable capital structure on account of adjusted tangible net worth of Rs 56.66 crore as on March 31, 2025 (Rs 49.53 crore as on March 31, 2024). The overall gearing (Adjusted) remains comfortable and stood at 0.78x in FY25 against 0.87x in FY24. Interest coverage stood comfortable at 2.37 times in FY2025. The management has no plans for any capex requirements in the near future thereby paving the way for further improvement in its debt coverage metrics due to lower reliance on long term borrowings

Key Rating Weaknesses

Fluctuations in margins due to volatile raw material prices

The prices of key raw materials are volatile in nature. Demand-supply dynamics also impact prices. The ability to pass on price hike to customers mitigates the exposure, but the working capital-intensive nature of operations should keep the company exposed to this risk. Even if the company can pass on the extra cost on to the customer, the customers might start preferring other competitors due to higher costs. The company needs to make sure that their costs are kept in check and do not eat into the profits being generated.



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Competitive and Fragmented Nature of the industry

The industry constituting of steel sheets manufacturing is highly fragmented and has very low entry barrier which makes it a very competitive industry. Both organized as well as the unorganized players are competing for the market share. This tends to reduce the pricing capability of the company as the market decides the price of the product.

Analytical Approach: Consolidated

For arriving the ratings Infomerics has taken consolidated approach as the company has one wholly owned subsidiaries namely Chandanpani Limited incorporated controlled by the same management with operational and financial linkage. List of companies considered for consolidation analysis is given at Annexure 4.

Applicable Criteria :

[Rating Methodology for Manufacturing Sector entities](#)
[Financial Ratios & Interpretation Non- Financial Sector](#)
[Criteria for assigning rating outlook](#)
[Policy on Default Recognition](#)
[Complexity Level of Rated Instruments/Facilities](#)
[Consolidation of Companies](#)

Liquidity – Adequate

The liquidity position of the group remains adequate as cash accruals are expected to remain adequate to meet the repayment obligations. Further, the group had gross cash accruals of INR 8.81 Crore in FY25 against the current maturity of long-term borrowing of Rs. 4.61 Crore in FY25. The overall utilization of the fund-based limits stood moderate at 91.59% during the last 12 months ended July 2025. The current ratio stood at 1.18 times as on 31st March 2025. Cash and Cash equivalent amounted to INR 0.31 Crore.

About the Company

Unison Metals Limited is an associate company of UCM Group of Industries which started its operations in 1990 as a private limited company and subsequently became a public limited company in 1995. Unison Metals was established by Mr. Uttam Chand Mehta.



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CPL was incorporated in May 2018 and is a 100% subsidiary of Unison Metals. It operates as a melting unit for the Unison Group. CPL began its commercial operations when Universal Metal Company Limited was amalgamated in CPL in FY 2019. It started scrap melting process initially for manufacturing stainless-steel Ingots.

Financials (Consolidated):

For the year ended* As on	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	276.74	315.24
EBITDA	16.82	15.26
PAT	3.58	4.44
Total Debt	43.27	44.18
Tangible Net worth*	33.15	37.59
EBITDA Margin (%)	6.08	4.84
PAT Margin (%)	1.29	1.40
Overall Gearing Ratio (x)	1.80	1.68
ISCR (x)	2.12	2.37

**as per Infomerics standards*

Status of non-cooperation with previous CRA : Nil

Any other information: : Nil

Rating History for last three years:



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Sl. No.	Name of Instrument/ Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 Dated : Sep 05, 2024	Date(s) & Rating(s) assigned in 2023-24 Dated: January 10, 2024	Date(s) & Rating(s) assigned in 2022-23 Dated: Dec 07, 2022	Date(s) & Rating(s) assigned in 2022-23 Dated: Oct 03, 2022
1	Term Loan	Long Term	0.96	IVR BBB-/Positive (IVR Triple B Minus with Positive Outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	IVR B/Negative/INC (IVR B with Negative Outlook; ISSUER NOT COOPERATING)	IVR B+/ Issuer Not Cooperating (IVR Single B Plus with Issuer Not Cooperating)	IVR BB/ Issuer Not Cooperating (IVR Double B with Issuer Not Cooperating)
2	Cash Credit	Long Term	13.50	IVR BBB-/Positive (IVR Triple B Minus with Positive Outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook))	IVR B/Negative/INC (IVR B with Negative Outlook; ISSUER NOT COOPERATING)	IVR B+/ Issuer Not Cooperating (IVR Single B Plus with Issuer Not Cooperating)	IVR BB/ Issuer Not Cooperating (IVR Double B with Issuer Not Cooperating)
3	Bank Guarantee	Short Term	3.29	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	IVR A4/ INC (IVR A Four; ISSUER NOT COOPERATING)	IVR A4/ INC (IVR A Four; ISSUER NOT COOPERATING)	IVR A4/ INC (IVR A Four; ISSUER NOT COOPERATING)
4	Proposed	Long/Short Term	23.50	IVR BBB-/Positive (IVR Triple B Minus with Positive Outlook) & IVR A3 (IVR A Three)	-	-	-	



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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com

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 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.

Annexure 1: Details of Facilities



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Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan			Feb 2027	0.96	IVR BBB-/Positive (IVR Triple B Minus with Positive Outlook)
Long Term Bank Facilities – Cash Credit			-	13.50	IVR BBB-/Positive (IVR Triple B Minus with Positive Outlook)
Short Term Bank Facilities – Bank Guarantee			-	3.29	IVR A3 (IVR A Three)
Long/Short Term Bank Facilities – (Proposed)			-	23.50	IVR BBB-/Positive (IVR Triple B Minus with Positive Outlook) & IVR A3 (IVR A Three)

Annexure 2: Facility wise lender details: As per attached annexure

[LEN-UnisonMet-10Oct25.pdf](#)

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis:

Name of the company	Consolidation Approach
Unison Metals Limited	Full Consolidation
Chandanpani Limited	Full Consolidation

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