



Press Release

Unison Metal Limited

January 10, 2024

Ratings:

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility	17.50	IVR B/Negative; ISSUER NOT COOPERATING* (IVR B With Negative Outlook; ISSUER NOT COOPERATING)	IVR B+/Issuer Not Cooperating (IVR B Plus with Issuer Not Cooperating)	Downgraded and remains to ISSUER NOT COOPERATING category	Simple
Long Term-Term Loan	10.85	IVR B/Negative; ISSUER NOT COOPERATING (IVR B With Negative Outlook; ISSUER NOT COOPERATING)	IVR B+/Issuer Not Cooperating (IVR B Plus with Issuer Not Cooperating)	Downgraded and remains to ISSUER NOT COOPERATING category	Simple
Short Term Facility	4.00	IVR A4/Issuer Not Cooperating (IVR A Four with Issuer Not Cooperating)	IVR A4/Issuer Not Cooperating (IVR A Four with Issuer Not Cooperating)	Re-affirmed and remains to ISSUER NOT COOPERATING category	Simple
Total	32.35	Rupees Thirty-Two Crore & Thirty Five Lakhs only			

** Issuer not cooperating; Based on best available information*

Details of Facilities are in Annexure 1.

Detailed Rationale



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The rating is downgraded because of continuous lack of adequate information regarding Unison Metal Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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 mails communications latest by January 2nd, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the complete details and fees 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 long-term ratings and short-term ratings for the bank loan facilities aggregating to Rs 32.35 crore of Unison Metal Limited shall continue under 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B/Negative/ IVR A4; ISSUER NOT COOPERATING; based on best available information (IVR B with Negative Outlook and IVR A Four; ISSUER NOT COOPERATING; based on best available information,.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach: Consolidated Approach.



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For arriving at the rating, Infomerics has combined the business and financial risk profiles of Chandanpani Private Limited and Unison Metal Limited moving forward known as Unison Metal Group, as they are in the same lines of business, under the same management.

List of the entities considered for consolidation is furnished in Annexure II

Applicable Criteria:

[Rating Methodology for Manufacturing companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria for assigning rating outlook](#)

About the Company

Unison group is an integrated stainless-steel manufacturer based out of Gujarat established in 1988. It has facilities for melting scrap metal to rolling metal sheets. It was established by Mr. Uttamchand Mehta. He has experience of more than three decades in the industry. It has a stainless steel and higher alloy steel melting and processing unit. The product profile includes SS ingots, SS flats, round bars, RCS, bright bars and fasteners. It has manufacturing unit covering 40,000 square meters with an installed capacity of 25000 TPA. UML started its operation in 1990 as a private limited company and subsequently became as a public limited company in 1995. UML manufactures hot and cold rolled stainless steel sheets, stainless steel patta for wide range of industrial applications. It has a rolling capacity of 900 MT per month. It stood at 550 MT per month in the previous year and was expanded to 900 MT per month in January 2020. It also has frit manufacturing unit. It supplies frit to ceramic tile manufacturers. CPL started its operations as a melting unit for UG in 2018, when operations of Universal Metal Company Limited were amalgamated in CPL. It currently has furnace capacity of 1500 MT per month (18000 MT per annum). It now also sells value added products like ingots and flats. These are procured from group entities like MAL on a job work basis.

Financials (Consolidated):

For the year ended*	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating Income	177.58	161.47

(Rs. Crore)



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EBITDA	7.54	11.78
PAT	1.27	2.64
Total Debt	48.87	50.19
Tangible Net Worth	27.13	31.47
EBITDA Margin (%)	4.25	7.29
PAT Margin (%)	0.71	1.62
Overall Gearing Ratio (x)	1.70	1.46

*Classification as per Infomerics' standards

Financials (Standalone):

(Rs. Crore)

For the year ended*	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating Income	75.88	86.22
EBITDA	4.83	8.25
PAT	0.50	1.72
Total Debt	34.02	34.25
Tangible Net Worth	17.83	21.10
EBITDA Margin (%)	6.37	9.57
PAT Margin (%)	0.65	1.98
Overall Gearing Ratio (x)	1.79	1.45

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA – None

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Date(s) & Rating(s) assigned in 2022-23 (December 07, 2022)	Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating (January 10, 2024)		Date(s) & Rating(s) assigned in 2022-23 (October 03, 2022)	Date(s) & Rating(s) assigned in 2021-22 (July 26 th , 2021)	Date(s) & Rating(s) assigned in 2020-21



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1.	Cash Credit	Long Term	17.50*	IVR B/Negative; ISSUER NOT COOPERATING (IVR B with Negative Outlook; ISSUER NOT COOPERATING)	IVR B+/Issuer Not Cooperating	IVR BB/Issuer Not Cooperating	IVR BB+/Positive Outlook	-
2.	Term Loan	Long Term	10.85	IVR B/Negative; ISSUER NOT COOPERATING (IVR B with Negative Outlook; ISSUER NOT COOPERATING)	IVR B+/Issuer Not Cooperating	IVR BB/Issuer Not Cooperating	IVR BB+/Positive Outlook	
3.	Letter of Credit	Short Term	4.00**	IVR A4/ ISSUER NOT COOPERATING (IVR A Four; ISSUER NOT COOPERATING)	IVR A4/ Issuer Not Cooperating	IVR A4/ Issuer Not Cooperating	IVR A4+	

*Includes Rs. 4.00 crores proposed limit

**Includes Rs. 2.00 crores proposed limit

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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



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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



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facility - Cash Credit	-	-	-	17.50*	IVR B/Negative; ISSUER NOT COOPERATING
Long Term – Term Loan	-	-	-	10.85	IVR B/Negative; ISSUER NOT COOPERATING
Short Term – Letter of Credit	-	-	-	4.00**	IVR A4; ISSUER NOT COOPERATING

Annexure 2: List of companies considered for consolidated analysis:

Group Companies	Extent of Consolidation (%)
1. Chandanpani Private Limited	100%
2. Unison Metal Limited	100%

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-Unison-Metal-jan24.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

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.