



## Press Release

### Unison Metals Limited

December 07<sup>th</sup>, 2022

#### Ratings

Sl. No.	Instrument/ Facility	Amount (Rs. Crore)	Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
1.	Long Term bank Facility	17.50	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)	Downgraded and remains to Issuer Not Cooperating	Simple
2.	Long Term- Term Loan	10.85	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)	Downgraded and remains to Issuer Not Cooperating	Simple
3.	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)	Reaffirmed and remains to Issuer Not Cooperating	Simple
<b>Total</b>		<b>32.35</b>	<b>(Rs. Thirty-Two crore &amp; Thirty-five lakhs only)</b>			

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

#### Detailed Rationale

Infomerics Valuation and Rating Private Limited (IVR) has downgraded long-term rating to IVR B+ Issuer not Cooperating for the bank loan facilities of Unison Metals Limited. The rating downgrade is due to deterioration in financial performance of the company in H1FY2023 as compared to H1FY2022.

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.



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### **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 E-mail communications dated 23rd August 2022, 07th September 2022, and 22nd September 2022, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential information and documents. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics must assign the rating based on the best available information.

Accordingly, the long-term rating for the bank loan facilities of **Unison Metals Limited** aggregating to **Rs. 32.35** crore remains in the 'ISSUER NOT COOPERATING' category by Infomerics.

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

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](#)

### **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



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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):

(Rs. crore)

For the year ended*/As on	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating Income	177.58	161.47
EBITDA	7.54	11.78
PAT	1.27	2.64
Total Debt	48.87	50.19
Adjusted 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*/As on	31-03-2020	31-03-2021	H1FY23
	Audited	Provisional	Unaudited
Total Operating Income	75.88	86.22	37.65
EBITDA	4.83	8.25	-2.57
PAT	0.50	1.72	-3.07
Total Debt	34.02	34.25	34.65
Adjusted Tangible Net worth	17.83	21.10	18.28
EBITDA Margin (%)	6.37	9.57	-6.83%
PAT Margin (%)	0.65	1.98	-8.21%
Overall Gearing Ratio (x)	1.79	1.45	1.90

\*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None



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Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2022-23)				Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating (07 <sup>th</sup> December 2022)	Rating (04 <sup>th</sup> October 2022)	Date(s) & Rating(s) assigned in 2021-22 (26 July 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit	Long Term	17.50*	IVR B+/ Issuer Not Cooperating	IVR BB/ Issuer Not Cooperating	IVR BB+/ Positive Outlook	-	-
2.	Term Loan	Long Term	10.85	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 A4/ Issuer Not Cooperating	IVR A4+	-	-

\*Includes Rs. 4.00 crores proposed limit

\*\*includes Rs. 2.00 crores proposed limit

**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 was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating. Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment



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opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit [www.infomerics.com](http://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, 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 (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facility – Cash Credit	-	-	-	17.50*	IVR B+/ Issuer Not Cooperating
Long Term- Term Loan	-	-	-	10.85	IVR B+/ Issuer Not Cooperating
Short Term- Letter of Credit	-	-	-	4.00**	IVR A4/ Issuer Not Cooperating

\*Includes Rs. 4.00 crores proposed limit

\*\*includes Rs. 2.00 crores proposed limit

### 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-Metals-dec22.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](http://www.infomerics.com).