

Unison Metals Limited

June 09, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 41.25 Crore	Regulator[^]
Long Term Rating	IVR BBB-/Stable (Rating Re-affirmed; Outlook revised to 'Stable' from 'Positive')	RBI
Short Term Rating	IVR A3 (Rating Re-affirmed)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

The reaffirmation of the rating reflects UML established presence in the stainless-steel industry, its established manufacturing facilities in Ahmedabad, diversified product portfolio comprising stainless steel sheets, steel Patta, sodium silicate, ceramic frit and allied products. The revision in outlook to Stable factors in the material deterioration in operating profitability in Q4FY26 which has adversely impacted earnings quality, gross cash accruals, and near-term liquidity metrics.

Outlook: Stable

The Stable outlook reflects Infomerics' expectation that that UML will continue to benefit from its established market position, diversified product mix, and improving operational performance while maintaining a moderate financial risk profile

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidation
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

Extensive Experience of Promoters in Stainless Steel Industry

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.

Improvement in scale of operations in FY26(A):

During FY26, the company reported total operating income (TOI) of Rs.498.65 crore, growing at 58.18% YoY (FY25: Rs.315.25 crore), driven by increased demand from end-user industries such as kitchenware, construction, engineering, and fabrication segments supported higher dispatch volumes of stainless-steel sheets, coils, and related products. Q4FY26 witnessed a significant decline, with TOI declining 27.22% YoY to Rs.88.50 crore.

Diversified Product Portfolio & Customer base

Unison Metals Limited has diversified its operations across stainless-steel products, sodium silicate, ceramic frit, and other allied products, reducing dependence on a single product segment and supporting revenue stability. The company caters to customers across various industrial segments, which helps mitigate customer concentration risks and provides stability to revenue generation.

Weaknesses

Sharp deterioration in profitability and unit-level economics in Q4FY26:

Despite a significant increase in revenue during FY26, the company's operating margins remained under pressure due to higher raw material costs, elevated energy expenses, and intense pricing competition. EBITDA margin moderated to 2.33% in Q4FY26 from 4.21% in Q4FY25. The company's profitability remains vulnerable to fluctuations in prices of stainless-steel inputs, crude oil-linked natural gas, and other key raw materials. Any inability to pass on cost increases to customers in a timely manner may adversely impact margins.

Weakening of coverage indicators and cash accrual sustainability:

Owing to margin compression and higher working capital borrowings, interest coverage declined to 1.62x in Q4FY26 (Q4FY25: 3.29x), while gross cash accruals reduced to Rs.1.09 crore (Q4FY25: Rs.4.13 crore). The moderation in profitability has weakened internal accrual adequacy and reduced financial flexibility in the near term. The capital structure is expected to remain strong, supported by steady accretion to reserves.

Susceptibility to Geopolitical and Supply Chain Risks:

The company's operations were impacted during Q4FY26 due to geopolitical tensions in the Middle East, which disrupted trade routes, increased logistics costs, and led to higher energy prices. Similar external events could continue to affect operational performance and profitability.

Liquidity – Adequate

The liquidity position of the company is expected to remain adequate, supported by satisfactory net cash accrual is estimated at ~Rs.10.88 crore against its Minimal debt repayment obligation in FY26. The company's liquidity profile as of March 2026 appears comfortable. The liquidity cushion primarily comprises bank balances of Rs. 0.62 crore, along with cash holdings.

Rating Sensitivities**Upward Factors**

- Sustained growth in scale of operations while maintaining healthy profitability margins.
- Improvement in EBITDA margins and cash accruals on a sustained basis.
- Further strengthening of capital structure with overall gearing remaining below 1.0x on a sustained basis.
- Better working capital management resulting in lower dependence on bank borrowings and improved liquidity profile

Downward Factors

- Any prolonged disruption in operations due to geopolitical developments, supply chain constraints, or unavailability of key inputs such as natural gas.
- Stretching of the working capital cycle leading to increased reliance on short-term borrowings and pressure on liquidity.

About the Company

Unison Metals Limited (UML), incorporated in 1990 and headquartered in Gujarat, is engaged in the manufacturing and trading of stainless-steel products and allied industrial products. The company primarily caters to industrial and commercial customers through a diversified portfolio comprising stainless-steel sheets, coils, utensils, and other value-added products.

Key Financial Indicators (Consolidated):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	315.24	498.65
EBITDA	15.26	19.11
PAT	4.44	7.28
Total Debt	44.18	75.51
Tangible Net Worth (TNW)	37.59	78.62
EBITDA Margin (%)	4.84	3.83
PAT Margin (%)	1.40	1.46
Overall Gearing (times)	0.78	0.96
Interest Coverage (times)	2.37	3.16

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	167.67	237.90
EBITDA	6.33	6.43
PAT	1.36	1.81
Total Debt	30.53	34.85
Tangible Net Worth (TNW)	21.26	56.83
EBITDA Margin (%)	3.77	2.70
PAT Margin (%)	0.81	0.76
Overall Gearing (times)	1.43	0.61
Interest Coverage (times)	2.45	4.90

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Manufacturing Sector](#)

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

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

Complexity Level of Rated Instruments/Facilities

Consolidation of companies

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years

Sr. No.	Instru ments / Faciliti es	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term /Shor t Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24
					Oct 10, 2025	Sep 05, 2024	January 10, 2024
1.	Fund based facilities	LT/ST	37.96*	IVR BBB-/Stable & IVR A3	IVR BBB- /Positive & IVR A3	IVR BBB-/Stable	IVR B/Negative/INC
2.	Non- fund- based facilities	ST	3.29	IVR A3	IVR A3	IVR A3	IVR A4/INC

***Includes Proposed Bank Facilities of Rs. 23.50 Crore.**

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issua nce	Cou pon Rate / IRR	Matur ity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regul ator^	<u>Complexity Indicator</u>
Term Loan	-	-	-	Feb 2027	0.96	IVR BBB- /Stable	Unlisted	RBI	Simple
Cash Credit	-	-	-	-	13.50	IVR BBB- /Stable	Unlisted	RBI	Simple
Bank Guarantee	-	-	-	-	3.29	IVR A3	Unlisted	RBI	Simple
Proposed	-	-	-	-	23.50	IVR BBB- /Stable & IVR A3	Unlisted	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len Unison Metals09 Jun26_142e2c4e58.pdf

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

Annexure 4: List of companies considered for Consolidated/Combined analysis:

Name of Company	Extent of consolidation
Unisons Metal Limited	Full Consolidation
Chandanpani Limited	Full Consolidation

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI

22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

Note: For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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