

**Press Release**  
**UIC UDYOG LIMITED**  
**February 05, 2026**  
**Rating Reaffirmed & Withdrawn**



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Loan Ratings</b>	40.00	ACUITE BB+   Reaffirmed & Withdrawn	-
<b>Bank Loan Ratings</b>	30.00	-	ACUITE A4+   Reaffirmed & Withdrawn
<b>Total Outstanding Quantum (Rs. Cr)</b>	0.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	70.00	-	-

**Rating Rationale**

Acuité has reaffirmed and withdrawn its long-term rating of '**ACUITE BB+**' (read as **ACUITE Double B plus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 70.00 Cr. bank facilities of UIC Udyog Limited (UICUL). The rating has been withdrawn on account of the request received from the issuer and No Objection Certificate (NOC) received from the lender.

The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating as applicable to the respective facility / instrument.

**Rationale for rating**

The rating reaffirmation takes into the moderate financial risk profile and the established track record of operations of the company. The rating also draws comfort from the experienced promoter group. However, the rating remains constrained on account of modest scale of operation and intensive working capital operations.

**About the Company**

Incorporated in 1995, Kolkata based UIC Udyog Limited (UICUL) is engaged in manufacturing of non-alloy steel wires. The company also has a power purchase agreement with Maharashtra Electricity Distribution Company Limited for its 5 MW of wind mill capacity. The company is currently promoted and managed by Mr. Deepak Goel and his family.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuité has taken a standalone view of the business and financial risk profile of UICUL to arrive at the rating as against the previously considered approach which factored in the support from Laser Power and Infra Private Limited (LPIPL). The change in approach follows the dilution of LPIPL's stake in UICUL from 51 percent to 3 percent.



## **Strengths**

### **Established track record and experienced management**

UICUL was erstwhile acquired by LPIPL in June 2021, who held 51 percent stake. In FY2026, LPIPL has diluted its stake to 3 percent, however, the shares remain within the promoter group. The promoters have an experience of more than three decades in the cable and conductor industry and have established relationships with various customers and suppliers. The company currently caters to various sectors including infrastructure, construction, engineering and power transmission sectors, both in public and private sectors.

### **Moderate financial risk profile**

The financial risk profile of the company is marked by moderate networth, low gearing and adequate debt protection metrics. The tangible networth stood at Rs. 138.04 Cr. on March 31, 2025 post accretion. The gearing continues to remain below unity at 0.19 times on March 31, 2025. The TOL/TNW levels also remained at 0.36 times in FY2025 against 0.44 times in FY2024. The debt protection indicators are also adequate with interest coverage ratio (ICR) of 4.18 times and debt service coverage ratio (DSCR) of 2.95 times in FY2025.

## **Weaknesses**

### **Modest scale of operations**

UICUL reported revenue of Rs. 159.98 crore in FY2025 as against Rs. 175.28 crore in FY2024. However, the EBITDA margin improved substantially to 10.30 percent in FY2025 from 3.67 percent in FY2024. The company introduced a new high-carbon steel product during the year, for which UICUL procured raw materials at relatively favourable prices in FY2025 and, owing to the timing difference between purchase and delivery, recorded exceptional gains. However, the margins are expected to normalise to their regular levels going forward. Further, the company recorded a revenue of Rs. 118.74 Cr for 9M FY2026 as against Rs. 88.66 Cr for the corresponding period in the previous year.

### **Intensive working capital operations**

The working capital operations are marked by high gross current assets (GCA) of 336 days on March 31, 2025. These are primarily driven by the debtor days that stood at 239 days and inventory days of 86 on March 31, 2025. On the other hand creditor days stood at 62 days on March 31, 2025. The current ratio stood healthy at 3.54 times on March 31, 2025.

### **Operations exposed to cyclicalities in the stainless-steel industry and competition in export markets**

The Indian steel industry is susceptible to fluctuations in the stainless-steel industry, where demand patterns tend to mirror the performance of downstream sectors such as construction, real estate and engineering goods. Any slowdown in these sectors can affect order flows and operating performance. The industry also faces stiff competition from large-scale manufacturers based in China, Taiwan and South Korea, particularly in established markets like the EU and the US. These players benefit from sizeable capacities and cost efficiencies.

## **Rating Sensitivities**

Not Applicable

## **Liquidity Position**

**Adequate**

The liquidity position is adequate marked by sufficient NCAs of Rs. 12.63 Cr. against maturing repayments of Rs. 1.65 Cr. in FY2025. The current ratio stood healthy at 3.54 times on March 31, 2025. The company also had an unencumbered cash and bank balance of Rs. 1.23 Cr. on March 31, 2025.

**Outlook: Not Applicable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	159.98	175.28
PAT	Rs. Cr.	6.33	0.71
PAT Margin	(%)	3.96	0.41
Total Debt/Tangible Net Worth	Times	0.19	0.24
PBDIT/Interest	Times	4.18	1.97

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Nov 2024	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A4+ (Upgraded from ACUITE D)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Letter of Credit	Short Term	5.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Cash Credit	Long Term	5.00	ACUITE BB+   Stable (Upgraded from ACUITE C)
	Cash Credit	Long Term	15.00	ACUITE BB+   Stable (Upgraded from ACUITE D)
	Term Loan	Long Term	10.00	ACUITE BB+   Stable (Upgraded from ACUITE D)
	Cash Credit	Long Term	10.00	ACUITE BB+   Stable (Upgraded from ACUITE C)
16 Oct 2024	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A4 (Downgraded from ACUITE A3)
	Letter of Credit	Short Term	5.00	ACUITE A4 (Downgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A4 (Downgraded from ACUITE A3)
	Cash Credit	Long Term	10.00	ACUITE C (Downgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	5.00	ACUITE C (Downgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	15.00	ACUITE D (Downgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	10.00	ACUITE D (Downgraded from ACUITE BBB-   Stable)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE D (Downgraded from ACUITE A3)
15 Mar 2024	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	10.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB-   Stable (Assigned)
20 Jan 2023	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Working Capital Demand	Long		

	Loan (WCDL)	Term	20.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	20.00	ACUITE BBB-   Stable (Reaffirmed)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
INDUSIND BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A4+   Reaffirmed & Withdrawn
RBL Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A4+   Reaffirmed & Withdrawn
ICICI BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A4+   Reaffirmed & Withdrawn
ICICI BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BB+   Reaffirmed & Withdrawn
INDUSIND BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB+   Reaffirmed & Withdrawn
RBL Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BB+   Reaffirmed & Withdrawn
INDUSIND BANK LIMITED	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A4+   Reaffirmed & Withdrawn
RBL Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Dec 2028	10.00	Simple	ACUITE BB+   Reaffirmed & Withdrawn

## Contacts

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### About Acuité Ratings & Research

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