Unique Organics Limited

September 01, 2026

Facilities/ Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	3.00	CARE BBB-; Stable	Reaffirmed
Short-term bank facilities	RBI	9.00	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of Unique Organics Limited (UOL) continues to derive strength from experienced promoters and long track record of operations in the business. The rating also considers comfortable financial risk profile marked by improved profitability and adequate liquidity profile.

However, ratings continued to remain constrained considering UOL's moderate scale of operations, high customer and geographical concentration and regulatory risk. Ratings also remain constrained due to presence of UOL in a highly competitive and fragmented industry, profitability susceptible to volatile raw material prices and foreign exchange rate.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in the scale of operations backed by increasing proportion of the manufacturing segment while maintaining profit before interest, lease rentals, depreciation and tax (PBILDT) margin above 7% on a sustained basis.
- Sustained profitability leading to augmentation of the tangible net-worth base and improvement in the overall liquidity.

Negative factors

- Significant decline in the scale of operations or PBILDT margin below 5% on a sustained basis
- Overall gearing above 0.50x on a sustained basis.
- Elongation of gross current asset days to over 60 days leading to high reliance on working capital borrowings.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectations that the company will continue to benefit from experienced promoters and sustain its comfortable financial risk profile in the near-to-medium term.

Detailed description of key rating drivers

Key strengths

Experienced promoters and long track record of operations

Jyoti Prakash Kanodia, Managing Director, holds over three decades of experience in the same line of business. He looks after the company's overall affairs and is assisted by Madhu Kanodia, director, who looks after production and marketing function of the company. Harish Panwar, Chief Financial Officer (CFO), has over a decade of experience in finance and looks after the company's finance function. Directors are assisted by second-tier management having vast experience in their respective fields. Since its inception in 1993, the company has established robust customer relationships, as evidenced by consistent repeat orders from its clients.

Comfortable financial risk profile and improvement in profitability

Over the years, UOL's profitability witnessed a sustained improvement, with the PBILDT margin increasing from 3.16% in FY22 and remaining healthy at 9.48% in FY26 (FY25: 9.12%). Improvement in margin is primarily attributable to remunerative pricing in certain trading contracts, and an increase in revenue contribution from the manufacturing segment.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

There have not been major bad-debt write-offs in the last five years ending FY26. With low depreciation and finance costs, profit after taxation (PAT) margins also improved to 7.51% in FY26 (PY: 7.01%). Consequently, UOL reported gross cash accruals (GCA) of ₹8.30 crore in FY26 (FY25: ₹10.54 crore).

Historically, UOL has exhibited a low reliance on the debt. Sustained improvement in profitability in the last 2-3 years, augmented its tangible net worth base, which stood at ₹41.13 (PY: ₹33.07 crore) as on March 31, 2025. Better collection efficiency, ensures adequate cash flow from operation, reducing its reliance on working capital borrowings.

UOL's capital structure continues to remain comfortable marked by zero exposure to long term debt and minimal utilisation of working capital limit (which is entirely backed by fixed deposits).

Owing to minimal reliance on debt, debt coverage indicators continue to remain comfortable marked by PBILDT interest coverage of 37.09x in FY26 (32.78x in FY25) with total outside liabilities to tangible net worth of 0.30x (PY: 0.09x).

Key weaknesses

Moderate scale of operations and improvement in profitability

UOL's TOI grew at a compounded annual growth rate (CAGR) of 25% for five years ended FY26. In FY26, UOL's scale of operations moderated by 29% on a y-o-y basis marked by TOI of ₹107.12 crore in FY26 (FY25: ₹150.45 crore). Moderation in scale of operations was considering decrease in rice exports to Vietnam, amidst export restrictions and unfavourable pricing conditions in the destination market. Along with tariff, restriction in other countries due to ongoing war-like situation.

Export sales continued to account for a major share of revenue at 55% in FY26 (PY: 56%), driven mainly by cereals and animal feed ingredients, while domestic sales contributed 45% (PY: 44%), led by cattle feed and animal nutrition products. The revenue profile remained trading-intensive, with trading and manufacturing activities contributing 84% and 16%, respectively, in FY26 (PY: 87% and 13%).

For Q1FY27 (refers to April 01 to June 30), UOL reported TOI of ₹38.90 crore (Q1FY26: ₹32.52 crore) with a PBILDT margin of 7.76% (Q1FY26: 8.92%).

Going forward, CareEdge Ratings expects UOL's TOI to register steady growth, supported by a gradual recovery in export demand, expansion into alternative export markets, and increasing contribution from the manufacturing segment.

Presence in a highly competitive and fragmented industry and profitability being susceptible to volatility of raw material prices and foreign exchange rate

UOL is present in a highly competitive and fragmented cattle feed industry. High competition from several mid-sized players and few large entities in the animal feed exports business limits the pricing power. UOL's trading sales majorly comprises exports of products including broken rice (brown and parboiled rice), soyabean meal and maize among others.

These commodities are seasonal in nature subject to its availability. Its prices are affected by factors such as weather conditions, rainfall pattern, sowing pattern and demand-supply dynamics. Since UOL does not enter long-term supply contracts with its customers, adverse movement in the commodity prices has bearing on its profitability.

UOL is a net exporter and earned ~55% of its TOI from exports in FY26 (FY25: 56%), while imports are nil. Its profitability remains susceptible to the forex fluctuations, considering absence of the active hedging policy. UOL has reported forex gain of ₹1.38 crore in FY26 (₹1.36 crore in FY25).

High product and geographical concentration and exposure to regulatory risk

UOL's product profile remains concentrated, with broken rice contributing 38% of TOI in FY26, despite being lower than 71% in FY25, primarily owing to the decline in rice exports in the year. Revenue share of manufactured cattle feed has also improved from 26% in FY26 to 22% in Q1FY27. UOL's customer base is moderately diversified with top five customers forming 54% of its TOI in FY26 (FY25: 61%).

UOL derives revenue from domestic and export markets, with exports contributing 55% of TOI in FY26 (PY: 56%). Despite its presence across multiple countries, export sales remain concentrated in Vietnam, exposing the company to geographical concentration risks and economic and political developments in the country.

UOL's operations are also prone to regulatory risk considering past instances of product getting banned from trading and imposition of the import/export duties by government based on the demand-supply dynamics.

Liquidity: Adequate

UOL's liquidity is marked moderate GCA against nil term debt repayment obligation and low utilisation of its working capital limits (limits entirely backed by fixed deposits). Liquidity is further supported by free cash and liquid investments of ₹21.67 crore including the fixed deposits lien against overdraft facility of ₹7.31 as on March 31, 2026 (PY: ₹15.39 crore). Average utilisation of fund-based working capital bank borrowings remained less than 50% for 12 months ended in July 2026. However, cash flow from operation remains negative in FY26 (compared to ₹13.27 crore in FY25), primarily driven by higher receivables, resulting in an elongated operating cycle of 78 days as on March 31, 2026 (PY: 34 days). Increase in working capital requirements was primarily attributable to higher sales in Q4FY26 and resulting build-up in receivables. The current ratio and quick ratio remain moderate at 4.02x and 3.55x as on March 31, 2026 (PY: 12.60x and 11.54x) respectively.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments
Wholesale Trading

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast-moving consumer goods	Fast-moving consumer goods	Food products	Animal feed

Located in Jaipur (Rajasthan), UOL was incorporated in 1993 by Jyoti Prakash Kanodia and their relatives and subsequently the company's shares were listed on Bombay Stock Exchange (BSE). UOL is engaged in manufacturing cattle feeds and trading commodities. UOL's major trading activity involves exports of broken rice, soyabean meal, maize, barley and spices mainly to Vietnam, Australia, Czech Republic, Turkey, Ukraine and the US. The company's manufacturing plant is at Sitapura Industrial Area, Jaipur.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	150.45	107.12	38.90
PBILDT*	13.72	10.15	3.02
Profit after tax (PAT)	10.54	8.04	2.47
Overall gearing (x)	0.00	0.18	NA
Interest coverage (x)	32.79	37.09	18.88

A: Audited; UA: Unaudited; NA: Not available Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-	-	-	-	3.00	CARE BBB-; Stable
Fund-based - ST-EPC/PSC	RBI	Simple	-	-	-	-	4.00	CARE A3
Fund-based - ST-FBN / FBP	RBI	Simple	-	-	-	-	5.00	CARE A3

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	3.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (01-Oct-25)	1)CARE BB+; Stable (10-Oct-24)	1)CARE BB; Stable (05-Oct-23)
2	Fund-based - ST-EPC/PSC	ST	4.00	CARE A3	-	1)CARE A3 (01-Oct-25)	1)CARE A4+ (10-Oct-24)	1)CARE A4 (05-Oct-23)
3	Fund-based - ST-FBN / FBP	ST	5.00	CARE A3	-	1)CARE A3 (01-Oct-25)	1)CARE A4+ (10-Oct-24)	1)CARE A4 (05-Oct-23)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Kalpesh Ramanbhai Patel Director **CARE Ratings Limited** Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in
Relationship Contact Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Puja Dilip Joshi Assistant Director **CARE Ratings Limited** Phone: 079-40265609 E-mail: puja.joshi@careedge.in Sarvesh Harish Gaikar Analyst **CARE Ratings Limited** E-mail: Sarvesh.gaikar@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information,
please visit www.careratings.com