Press Release
UNISON FORGINGS PRIVATE LIMITED
January 02, 2026
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	22.00	ACUITE BBB- | Stable | Assigned	-
Bank Loan Ratings	3.00	-	ACUITE A3 | Assigned
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of **'ACUITE BBB-' (read as ACUITE Triple B minus)** and its short-term rating of **'ACUITE A3' (read as ACUITE A three)** on the Rs.25.00 Cr. bank facilities of Unison Forgings Private Limited (UFPL). The outlook is **'Stable'**.

Rationale for rating
The rating factors overall Unison group's healthy revenue growth over the years supported by higher volumes and realizations. The financial risk profile is moderate with stable leverage and coverage metrics, strengthened by equity infusion through rights issue by Rs.34.33 Cr. in FY26. The liquidity is also adequate with cash accruals covering repayment obligations; however rating is constrained by intensive working capital requirements and high reliance on bank limits. The rating also factors susceptibility to inherent cyclicality of the steel industry, which exposes the group's performance to demand and price volatility leading to volatile margins.

About the Company

Incorporated in 2006, Unison Forgings Private Limited (UFPL) specializes in die forging and manufactures stainless steel hex bars, bright bars, round bars, and related products which are used in construction, oil and gas, pumps and valves industry. The company undertakes various stages of production, from raw material conversion to finished goods, through both in-house and subcontracted job work arrangements. UFPL is based in Gujarat.

About the Group
Formed in 1990, the Unison group (group) initially focused on stainless steel manufacturing. In 2017, it diversified into speciality chemicals. It comprises Unison Metals Limited (UML), Unison Forgings Private Limited (UFPL), and Chandanpani Limited (CL), formerly Chandanpani Private Limited. The present director of the company is Mr. Tirth Mehta.

Unsupported Rating
Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

To arrive at the rating, Acuité has considered the consolidated business, financial risk profiles and financials of Unison Metals Limited, its wholly owned subsidiary Chandanpani Limited and Unison Forgings Private Limited. The consolidation is in the view of common shareholders, strong operational and financial linkages between the entities.

Further, Acuite has constrained the rating of UFPL on account of limited scale of operations.

Key Rating Drivers

Strengths

Established track record of operations and extensive experience of promoters

The group has nearly three decades of presence in stainless-steel sheets, sodium silicate, and frit englobe, serving kitchenware and construction industries. Further, promoters bring over 15 years of average board experience, supported by a professional management and marketing team. This long track record and experienced leadership provide stability and support future growth.

Improving scale of operations of the group

UG's revenue improved to Rs.342.00 Cr. in FY2025 (Prov.) from Rs.281.08 Cr. in FY2024 and Rs.239.09 Cr. in FY2023, driven primarily by higher sales volumes supported by better price realisations. The operating profit margin moderated to 5.35 percent in FY2025 (Prov.) from 5.98 percent in FY2024 due to elevated raw material costs amid steel industry volatility. Furthermore, in H1FY26 the group recorded revenue of Rs 261.28 Cr.

Going forward, Unison Metals Limited is setting up Unit 2 to boost sodium silicate capacity from 20,075 to 45,000 MTPA, raising the group's total to 59,400 MTPA. The unit is slated to be operational by Q4 FY2026, strengthening its scale and market position.

Weaknesses

Moderate financial risk profile

The group has a moderate financial risk profile marked by moderate net worth, gearing and coverage indicators. The tangible net worth stood at Rs.47.55 Cr. as of March 31, 2025(Prov.), as against Rs.42.23 Cr. as of March 31, 2024. The gearing stood moderate at 1.51 times as of March 31, 2025 (Prov.). The coverage indicators also stood comfortable with interest coverage ratio and debt service coverage ratio at 2.33 times and 1.20 times in FY25 (Prov.) respectively (2.66 and 1.50 times in FY24). Further, Unison Metals Limited has raised Rs.34.33 Cr through rights issue resulting into increase in the overall tangible net worth of the group in FY2026 further deleveraging the group's balance sheet.

Intensive working capital operations

UG's working capital operations remain intensive, with GCA days at 202 days in FY2025 (Prov.) against 215 days in FY2024, driven by high receivables and inventory holding. Inventory days rose slightly to 80 days from 75 days , while debtor days stayed elevated at 107 days in both years, approximately 91% of the group's receivables are realized within a 90 day period. Creditor days improved modestly to 21 days from 18 days, but the limited credit period from suppliers continues to add pressure. The group has been managing its working capital, with average fund based utilization at ~98.15% and nonfund based utilization at ~82.65% over the past 12 months ending October 2025. To meet rising order requirements, working capital borrowings at Chandanpani were increased from Rs.18.12 Cr. to Rs.28.00 Cr, while Unison Metals utilized ~Rs.4 Cr. from rights issue proceeds in FY2026.

Exposure to raw material price volatility

The group's cost structure is significantly influenced by stainless steel and alloy steel prices. Any sharp fluctuations in these raw materials can affect profitability, given the limited ability to fully

pass on cost increases to customers.
The group operates in a highly fragmented stainless steel manufacturing industry with numerous small and mid-sized players. This competitive landscape restricts pricing flexibility and can pressure margins, while also requiring continuous efforts to maintain customer relationships.

Rating Sensitivities

- Timely completion and full fledged operationalization of the Unit II Capex
- Improvement in the overall operating performance along with financial risk profile
- Any further elongation in the working capital cycle leading to stretch in the liquidity profile of the group.

Liquidity Position

Adequate

The group has an adequate liquidity position marked by sufficient cash accruals of Rs.9.09 Cr. as on March 31, 2025 (Prov.) against its repayment obligation of Rs.6.15 Cr. during the same period. Going ahead, the liquidity position of the group is expected to remain adequate in the range of Rs.13.11-17.03 Cr. against its maturing debt obligations in the range of Rs. 6.16-6.19 Cr. The reliance on the working capital limits is high at ~98.15% for fund based limits and 82.65% for non-fund based limits. The current ratio stood moderate at 1.12 times as on March 31, 2025 (Prov.). The group has an unencumbered cash and bank balance of Rs.0.32 Cr. as on March 31, 2025 (Prov.).

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	342.00	281.08
PAT	Rs. Cr.	5.34	8.30
PAT Margin	(%)	1.56	2.95
Total Debt/Tangible Net Worth	Times	1.51	1.50
PBDIT/Interest	Times	2.33	2.66

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

None

Any Other Information

None

Applicable Criteria

• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Consolidation Of Companies: https://www.acuite.in/view-rating-criteria-60.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
• Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.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.

Rating History : Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB- | Stable | Assigned
Deutsche Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE BBB- | Stable | Assigned
Deutsche Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A3 | Assigned

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company Name
1	Unison Forgings Private Limited
2	Unison Metals Limited
3	Chandanpani Limited

Contacts

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