

Sarbloh Alloys Private Limited

December 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	45.51 (Enhanced from 35.51)	CARE BB-; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	0.49	CARE BB-; Stable / CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Sarbloh Alloys Private Limited (SAPL) continue to be constrained on account of its nascent stage of operations, leveraged capital structure, susceptibility of its profitability to raw material prices, stretched liquidity, and its presence in a competitive, cyclical, and fragmented steel industry.

However, SAPL's ratings derive strength from its experienced promoters who have more than three decades of experience in the steel industry through group concerns. Ratings also take cognisance of SAPL's scale of operations post stabilisation of greenfield project capex and its achievement of operational breakeven in its first year.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in capital structure as marked by TOL/TNW of less than 4 times along with improvement in PBILDT interest coverage ratio above 2.50 times.
- Sustained Growth in total operating income (TOI) to over ₹250 crore with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of over 3.50%.

Negative factors

- Decline in TOI lower than ₹150 with decline in PBILDT margin below 2%
- Further moderation in capital structure and / or liquidity

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) believes that the entity will continue to benefit from extensive experience of its promoters in the steel industry resulting timely stabilisation of debt-funded capex as well as realization of envisaged TOI.

Detailed description of key rating drivers:

Key weaknesses

Nascent stage of operations, though moderate TOI registered and breakeven achieved post operations

SAPL was incorporated in January 2021 for setting up a rolling mill for manufacturing of steel bars at Talod, Gujarat, and the project was completed in May 2024. Since it began operations in June 2024, SAPL has achieved TOI of ₹169.64 crore in FY25 and has achieved ₹149 crore in 7MFY26, with a full year expectation of around ₹250-300 crore. Notably, the company attained operational breakeven in its first year of operations, reporting a PBILDT margin of 2.30%, while PAT stood at 0.66%.

Leveraged capital structure

With FY25 being the first year of operations, SAPL's capital structure remains leveraged, with overall gearing of 7.11x, driven by term borrowings, high reliance on working capital facilities, and a modest net worth base of ₹5.06 crore. Further, the company is undertaking additional capex of ₹12.29 crore towards installation of a 3 MW ground-mounted solar power plant, scheduled for completion by December 2025, funded through a mix of term debt and equity. While the debt tie-up has been completed and the promoter has infused ₹2.50 crore of equity, the incremental debt is expected to exert pressure on the company's capital structure in the near term. Although the proposed solar installation is expected to result in power cost savings and support profitability, SAPL's ability to scale up operations, strengthen its net worth base, improve internal cash generation, and manage additional debt levels remains a key monitorable.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Susceptibility of profitability to raw material price volatility

The major raw material for the company is steel ingots/billets which is procured from open market. The price of billet is volatile in nature and is governed by international metal prices and quality of scrap, thus exposing the company to volatility in prices of raw material and impacting its operating profitability.

Highly competitive and cyclical nature of industry

The steel bars industry is highly competitive due to presence of various organized and unorganized players and expanding applications of various types of steel bars. Although, over the years the industry has become more organized with the share of unorganized players reducing, but margins continue to be under pressure due to fragmentation of the industry. Also, the steel industry is sensitive to the shifting business cycles, including changes in the general economy, interest rates and seasonal changes in the demand and supply conditions in the market. Apart from the demand side fluctuations, the highly capital-intensive nature of steel projects along-with the inordinate delays in the completion hinders the responsiveness of supply side to demand movements. Further, the value addition in the steel construction materials like TMT bars, MS angles and channels, etc. is also low, resulting into low product differentiation in the market.

Key strengths

Experienced promoters in the steel industry

SAPL is promoted by Mr. Bhupindersingh Banga and Mrs. Japreetkaur Banga, who have experience of more than three decades in the steel industry through a group concern, Banga Iron and Steel Private Limited, which is engaged in manufacturing of rolling mill machineries.

Liquidity: Stretched

Liquidity of SAPL is stretched on account of its nascent stage of operations, with moderate cash accruals against scheduled loan repayments and high utilization of working capital limits.

SAPL has scheduled repayments in the range of Rs.1.80-3.00 crore over the next 3 years (FY26-FY28) which are expected to be met out of its cash accruals. Utilization of working capital limits has remained high in range of 90-100% since inception.

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](#)

[Iron & Steel](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Iron & Steel Products

Gujarat-based Sarbloh Alloys Private Limited was incorporated in January 2021 for setting up rolling mill for manufacturing of mild steel (MS) and stainless steel (SS) bars in the Talod district of Gujarat. The company is promoted by Mr. Bhupindersingh Banga and Mrs. Jaspreetkaur Banga.

The unit become operational since May 2024 and has an installed capacity of 1,80,000 metric tonnes per annum (MTPA) for manufacturing of MS and SS bars, and it sells its products under the brand 'Banga TMT'.

Brief Financials (₹ crore)	March 31, 2025 (A)	7MFY26 (UA)
Total operating income	169.64	148.99
PBILDT	3.90	NA
PAT	1.12	NA
Overall gearing (times)	7.11	NA
Interest coverage (times)	1.59	NA

A: Audited UA: Unaudited; Note: these are latest available financial results; NA: Not available; * FY25 was the first year of operations.

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	25.00	CARE BB-; Stable
Fund-based - LT-Term Loan		-	-	November 2030	20.51	CARE BB-; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	0.49	CARE BB-; Stable / CARE A4

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	20.51	CARE BB-; Stable	-	1)CARE BB-; Stable (27-Feb-25)	-	-
2	Fund-based - LT-Cash Credit	LT	25.00	CARE BB-; Stable	-	1)CARE BB-; Stable (27-Feb-25)	-	-
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	0.49	CARE BB-; Stable / CARE A4	-	1)CARE BB-; Stable / CARE A4 (27-Feb-25)	-	-

LT: Long term; LT/ST: Long term/Short term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: 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

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