

Sudhesh Industries Private Limited

February 04, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	49.28	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	40.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

**Issuer did not cooperate; based on best available information*

Rationale & Key Rating Drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Sudhesh Industries Private Limited (SIPL) to monitor the rating vide e-mail communications dated January 05, 2026, January 06, 2026, January 07, 2026, January 09, 2026 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Further, SIPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings on SIPL's bank facilities will now be denoted as **'CARE BB-; Stable; ISSUER NOT COOPERATING/ CARE A4; Stable; ISSUER NOT COOPERATING*'**.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of SIPL are revised on account of non-availability of requisite information. Ratings are constrained by SIPL's thin profitability margins despite improvements in scale of operations and weak financial risk profile with leveraged capital structure and moderate debt coverage. Additionally, the ratings also factor in the company's presence in a highly competitive and cyclical steel industry and profit margins susceptible to raw material price volatility. However, ratings derive strength from its experienced promoters with long track record of business operations and prudent working capital management.

Analytical approach: Standalone revised from combined.

CARE had previously taken combined view for two entities, viz Sudhesh Industries Private Limited and Sarvottam Rollings Mills Private Limited (SRMPL) as the entities were engaged in similar line of business and have operational, financial and managerial linkages. However, updated information is not available to ascertain these linkages that warrant a continuation of combined approach. Hence, analytical approach has been revised to standalone.

Outlook: Stable

Detailed description of key rating drivers

At the time of last rating on April 22, 2025 the following were the rating strengths and weaknesses (updated based information available from ROC filings).

Key weaknesses

Thin profitability margins despite improvements in scale of operations

Income from operations of SIPL improved to ₹547.79 crore in FY25 from ₹475.04 crore in FY24, registering a year-on-year growth of ~15.3%. Despite the improvement in scale, SIPL continues to operate with thin profitability margins, reflective of the negligible product differentiation and limited value addition nature of the business i.e. manufacturing billets and thermo-mechanically treated (TMT) bars. Owing to a marginal improvement in scale of operations, PBILDT margin improved though it remained low at 4.94% in FY25 from 2.64% in FY24. Further, PAT margin also improved yet remained thin at 1.54% in FY25 from 0.40% in FY24.

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

Weak financial risk profile with leveraged capital structure and moderate debt coverage

SIPL's financial risk profile, though improved owing to accretion of profits to reserves but continued to remain weak in FY25 owing to the high overall debt vis-à-vis a low net worth base. Overall gearing stood at 5.73x as on March 31, 2025 compared to 9.25x as on March 31, 2024. Similarly, debt coverage indicators also improved as a result of improved profitability albeit continue to remain moderate marked by interest coverage of 2.14x (FY24: 1.67x) and Total Debt/GCA at 8.82 years as on March 31, 2025 compared to 26.57 years.

Susceptibility of margins to raw material price volatility

Profit margins of SIPL are susceptible to the price volatility of steel for both finished goods and the raw material. The major raw materials for the company are sponge iron and steel scrap (M.S Ingots and M.S bar among others), which are major cost drivers and their prices are volatile. Therefore, the cost base remains exposed to adverse price fluctuations in these raw materials prices. The raw materials are procured at prevailing market prices, exposing it to raw material price volatility. In general, the company is unable to pass on the increase in prices to their customers and maintain the prices per the market trends only.

Presence in a highly competitive and cyclical steel industry

TMT bars and mild steel ingots/billets are used in various industries, with construction and infrastructure industry being the largest demand segment. Thus, demand for TMT bars is largely linked to the demand in the construction and infrastructure (mainly real estate) segment, which closely follows the macroeconomic cycle and thus is cyclical in nature. There are large number of small and unorganized players in the TMT bars and mild steel ingots/billets manufacturing industry. The industry is characterized by low entry barriers and low level of product differentiation due to minimal technological inputs and availability of standardized machinery for production. Thus, due to low value addition, presence in the lower segment of the value chain and fragmented nature of industry, the profitability of players engaged in manufacturing TMT bars and mild steel ingots/billets is inherently thin.

Key strengths**Experienced promoters with established track record of operations**

The promoters' three-decade experience in the steel industry and the established reach of the Sarvottam brand in Uttar Pradesh, and nearby areas have helped the company to sustain its market position. Sanjay Kumar Jain, the Director, has over 25 years of experience in the steel industry and oversees the marketing and financial activities of the unit. His younger brother, Rajeev Jain, also has over 20 years of experience in the steel industry and manages the unit's production and day-to-day operations. The experienced management and the long-track record of operations have helped the group to establish a healthy relationship with its customers.

Prudent working capital management

SIPL continues to maintain prudent working capital management, with the operating cycle standing stable at 31 days. Inventory holding period reduced to 19 days as on March 31, 2025, while receivables collection remained stable at 16 days. Creditors period stood at 5 days, reflecting low supplier credit.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Criteria on Consolidation & Combined Approach](#)

[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

Incorporated in December 2019, SIPL started operations by acquisition of existing TMT Bar Facility of M/s Sadhbhawana Impex Private Limited under NCLT in FY21, and the production commenced from April 2021. The manufacturing facility of SIPL is in Bahraich (U.P.). The company is running its furnace and rolling plant having installed capacity of 180,000 MT and 168,000 MT for manufacturing M.S. Billets and T.M.T Bars, respectively, as on March 31, 2024. SIPL has a franchise agreement with Kamdhenu Limited, where the company sells its products under the 'Kamdhenu' brand. The company has two furnaces of 30 MT each with one concast machine. SIPL is promoted by Sanjay Kumar Jain and Rajeev Jain.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	475.04	547.79
PBILDT*	12.54	27.08
Profit after tax (PAT)	1.89	8.41
Overall gearing (x)	9.25	5.73
Interest coverage (x)	1.67	2.14

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to the bank facilities of SIPL into Issuer Not Cooperating category vide press release dated December 17, 2024 on account of its inability to carry out a review in the absence of requisite information.

Infomerics has continued the rating assigned to the bank facilities of SRMPL into Issuer Not Cooperating category vide press release dated July 17, 2025 on account of its inability to carry out a review in the absence of requisite information.

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	March 31, 2030	49.28	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Working Capital Limits		-	-	-	40.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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/ ST-Working Capital Limits	LT/ST	40.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	1)CARE BB; Stable / CARE A4 (22-Apr-25)	-	-	-
2	Fund-based - LT-Term Loan	LT	49.28	CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB; Stable (22-Apr-25)	-	-	-

*Issuer did not cooperate; based on best available information.

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

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

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Working Capital Limits	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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