

Sigma Metal and Power Private Limited

March 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	72.00	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable 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 Sigma Metal and Power Private Limited (SMPPL) to monitor the rating vide e-mail communications dated March 23, 2026, March 20, 2026, March 16, 2026, March 13, 2026, and March 11, 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. The ratings on SMPPL's bank facilities will now be denoted as **'CARE BB; 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 Sigma Metal and Power Private Limited (SMPPL) have been revised on account of non-availability of requisite information. The ratings remained constrained on account of moderate total operating income with thin profitability margins in FY25 (Audited- refers to the period from April 01 to March 31). The ratings further remained constrained on account of highly competitive and cyclic nature of industry and susceptibility to volatility in raw material prices. The rating, however, continues to derive strength from experienced promoters & long track record of operations and moderate financial risk profile.

Analytical approach: Standalone revised from Combined

The operational and financial risk profile of Shree Radhey Radhey Ispat Private Limited (SRR IPL) has been combined with Sigma Metal and Power Private Limited (SMPPL), Kundan Castings Private Limited (KCPL) and Sigma Castings Limited (SCL), since all the entities have operational and financial linkages, common promoters and management. However, updated information post FY24 is not available to ascertain financial linkages that warrant a continuation of combined approach. Hence, the analytical approach has been changed to standalone.

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on April 03, 2025 the following were the rating strengths and weaknesses (updated from the information available from client.)

Key weaknesses

Moderate total operating income with thin profitability margins

On standalone basis, TOI of SMPPL has reported growth due to higher sale of edible oil in FY25 and remained moderate at Rs. 483.83 crores in FY25 as against Rs. 281.92 crore in FY24. However, due to increased cost of traded goods coupled with fuel costs on standalone basis in FY25, PBILDT margin has declined to 3.66% during FY25 from 4.10% in FY24. Further, the PAT margin has similarly declined due to increased interest and depreciation costs and remained at 0.69% in FY25 as against 1.02% in FY24.

Highly competitive and cyclic 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, 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.

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

Furthermore, the value addition in steel construction materials like TMT bars, MS angles and channels, etc. is also low, resulting in low product differentiation in the market. The producers of steel construction materials are essentially price-takers in the market, which directly expose their cash flows and profitability to volatility in steel prices.

Susceptibility to volatility in raw material prices

Prices of major raw materials for the company such as steel ingots and billets are inherently volatile in nature. The company purchases most of its raw materials from local scrap dealers and with the launch of their own brand name, and highly competitive nature of the industry the company is not able to pass on the full impact of the fluctuation in raw material prices to its customers, which has a bearing on the margins.

Key strengths

Experienced promoters & long track record of operations

The affairs of the company is managed by the directors – Mr. Navin Jain, Mr. Navneet Jain & Mr. Vijay Kumar Jakhodia. Mr. Navin Jain has a postgraduate degree in commerce along with a bachelor's degree in law & has over two decades of experience in the iron & steel industry. He looks after the overall management of the operations. He is supported by his son, Mr. Navneet Jain, who looks after product branding. The marketing operations of the company is managed by Mr. Vijay Kumar Jakhodia who has over 30 years of experience in the industry & was in the same line of business. A long track record of operations provides established market presence to the company.

Moderately financial risk profile

The firm's financial risk profile remains moderate on standalone basis. The capital structure of SMPPL has marginally improved due to accretion of profits to reserves but remained moderately leveraged marked by overall gearing of 1.83x as on March 31, 2025 as against 2.22x as on March 31, 2024.

Further, due to increased interest charges PBILDT interest coverage marginally declined to 1.82x in FY25 as against 2.03x in FY24. However, due to reduced debt levels, total debt/GCA improved but remained weak at 9.79 years as on March 31, 2025 compared to 15.32 as on March 31, 2024.

Liquidity: Stretched

On standalone basis, the liquidity profile of SMPPL remains stretched as marked by limited buffer in their repayment obligation vs gross cash accruals. The cash and bank balance remained low at Rs. 8.35 crore as on March 31, 2025. However, SMPPL has liquidity cushion in the form of positive net cash flow from operating activities of Rs. 25.27 crore in FY25 as against negative CFO in FY24. Further, working capital cycle has improved to 30days (P.Y.:39 days) in FY25 due to reduced collection period to 48 days in FY25 to 63 days in FY24.

Assumptions/Covenants: Not Applicable

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

Applicable Criteria:

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

[CARE Ratings' Policy on Default](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Financial Ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Rating Methodology - Manufacturing Companies](#)

[Rating Methodology – Iron & Steel Industry](#)

[CARE Ratings' Criteria on Consolidation & Combined Approach](#)

[Rating Methodology -Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Ferrous Metals	Iron & Steel

Sigma Metal and Power Private Limited (SMPPL) [formerly Sadahari Shakti Private Limited]: is engaged in the manufacturing and distribution TMT bars, MS Billets, metal scrap etc. The company has installed capacity of 72,000 metric tonne per annum and has

increased its existing capacity to 180,000 metric tonne per annum starting from January 2024. The company also majorly sells its MS Billets to its group company SRR IPL.

Brief Financials (₹ crore)- Standalone	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	281.92	483.83
PBILDT	11.57	17.71
PAT	2.89	3.32
Overall gearing (times)	2.22	1.83
Interest coverage (times)	2.03	1.82

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: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Annexure-2

Covenants of rated instruments/facilities: 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-Cash Credit		-	-	-	22.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2029	50.00	CARE BB; Stable; 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-Cash Credit	LT	22.00	CARE BB; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (03-Apr-25)	-	1)CARE BB+; Stable (21-Feb-24) 2)CARE BB+; Stable (07-Apr-23)	-
2	Fund-based - LT-Term Loan	LT	50.00	CARE BB; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (03-Apr-25)	-	1)CARE BB+; Stable (21-Feb-24) 2)CARE BB+; Stable (07-Apr-23)	-

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

LT: Long 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

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

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Shachee Nakul Vyas Assistant Director CARE Ratings Limited Phone: 079-40265665 E-mail: shachee.tripathi@careedge.in</p> <p>Foram Dhruv Joshi Lead Analyst CARE Ratings Limited Phone: 079-40265687 E-mail: foram.dave@careedge.in</p> <p>Drashti Lakhwani Associate Analyst CARE Ratings Limited E-mail: Drashti.Lakhwani@careedge.in</p>
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