

## Shree Radhey Radhey Ispat Private Limited

March 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	42.93	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 Shree Radhey Radhey Ispat Private Limited (SRR IPL) 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 SRR IPL'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 Shree Radhey Radhey Ispat Private Limited (SRR IPL) have been revised on account of non-availability of requisite information. The ratings remained constrained on account of moderation in total operating income with thin, albeit improving, profitability margins in FY25 (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 satisfactory financial risk profile and experienced promoters & long track record of operations.

### 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

#### Moderation in total operating income with thin, albeit improving, profitability margins

On standalone basis, SRR IPL has reported decline in its Total Operating Income (TOI) due to lower demand of its products from customers during the year and remained at Rs. 225.34 crores in FY25 as against Rs. 393.44 crore in FY24. However, due to reduced material costs as well as reduced cost of traded goods on standalone basis, PBILDT margin has improved to 4.40% during FY25 as against 2.55% in FY24. Consequently, coupled with reduced depreciation costs the PAT margin has also slightly improved but remained thin at 0.85% in FY25 as against 0.37% 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. Furthermore, the value addition in steel construction materials like TMT bars, MS angles and channels, etc. is also low, resulting

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

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 group 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****Satisfactory financial risk profile**

SRR IPL's financial risk profile remained satisfactory on standalone basis. As on March 31, 2025, overall gearing ratio has slightly deteriorated due to increased debt levels mainly in the form of increased working capital utilization as on balance sheet date but remained comfortable at 0.97x as on March 31, 2025 as against 0.72x as on March 31, 2024. Further, due to increased debt levels along with increased interest charges, debt coverage indicators have slightly deteriorated and remained moderate with interest coverage of 1.83x in FY25 as against 2.02x in FY24 and total debt/GCA of 11.04 years as on March 31, 2025 compared to 6.90 years as on March 31, 2024.

**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.

**Liquidity: Stretched**

On standalone basis, the liquidity profile of SRR IPL remains stretched as marked by negative net cash flow from operating activities of Rs. 10.40 crore in FY25 as against positive Rs. 10.29 crore in FY24 due to blockage of funds into receivables. Further, Gross Current Asset days remained elongated at 143 days in FY25 due to elongated collection period, which has resulted into elongated working capital cycle of 45 days in FY25. However, the company has liquidity cushion in the form of cash and bank balance of Rs. 18.83 crore as on March 31, 2025 as against Rs. 8.72 crore as on March 31, 2024.

**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

Shree Radhey Radhey Ispat Pvt Ltd incorporated in May 10, 2002, was acquired by Sigma group in 2007 and was a franchisee partner of Kamdhenu Limited (rated CARE A; Stable), engaged in manufacturing & selling of TMT (Thermo Mechanical Treatment) reinforcing bars across a range of diameters from 8 mm to 32 mm with installed annual capacity of 1,20,000 MT. From December 2022, the company has started manufacturing TMT bars under its own brand name i.e. "Sigma GripLock" TMT bars.

Brief Financials (₹ crore)- Standalone	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	393.44	225.34
PBILDT	10.04	9.92
PAT	1.45	1.91
Overall gearing (times)	0.72	0.97
Interest coverage (times)	2.02	1.83

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		-	-	-	38.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31-03-2026	4.93	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-Term Loan	LT	4.93	CARE BB; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (03-Apr-25)	-	1)CARE BB+; Stable (21-Feb-24)	1)CARE BB+; Stable (06-Jan-23) 2)CARE BB; Stable (05-Apr-22)
2	Fund-based - LT-Cash Credit	LT	38.00	CARE BB; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (03-Apr-25)	-	1)CARE BB+; Stable (21-Feb-24)	1)CARE BB+; Stable (06-Jan-23) 2)CARE BB; Stable (05-Apr-22)

\*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](mailto:care@careedge.in) for clarifications.

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