

Vivan Steels Private Limited

March 05, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|--|------------------|-----------------------------|---------------|
| Long-term bank facilities | 38.00 | CARE BBB-; Stable | Reaffirmed |
| Long-term / Short-term bank facilities | 1.50 | CARE BBB-; Stable / CARE A3 | Reaffirmed |
| Long-term bank facilities | - | - | Withdrawn |

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

For arriving at ratings of Vivan Steels Private Limited (VSPL), CARE Ratings Limited (CareEdge Ratings) has considered combined business and financial profiles of three entities including VSPL, Vivan Steels and Alloys Private Limited (VSAPL) and Shree Parmeshwar Steels Private Limited (PSPL), together referred to as Vivan Group (VG). All entities operate in the steel industry and are jointly managed by a common promoter family. Ratings assigned to bank facilities of VSPL continue to derive strength from the vast experience of promoters for over three decades in long steel product industry, established selling and distribution network, moderate capital structure and debt coverage indicators and adequate liquidity. However, ratings continue to remain constrained due to VG's moderate scale of operations with thin profit margins in FY25 (Audited, FY refers to April 01 to March 31). Ratings further remain constrained due to VG's presence in a highly competitive and cyclical steel industry and susceptibility of its profitability to raw material price volatility.

CareEdge Ratings has withdrawn ratings assigned to term loan facility owing to full repayment.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in the scale of operations marked by total operating income (TOI) of over ₹900 crore and improvement in profitability marked by profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 4% on a sustained basis.
- Sustaining below unity overall gearing and improvement in PBILDT interest coverage ratio above 4x.

Negative factors

- Decline in the scale of operations marked by TOI less than ₹650 crore and decline in PBILDT margin below 2.5%.
- Major incremental debt resulting in overall gearing above 1.75x or PBILDT interest coverage below 2x.

Analytical approach: Combined

For arriving at VSPL's ratings, CareEdge Ratings has combined the business and financial risk profiles of VSPL, VSAPL and PSPL as all entities operate in the same industry of steel and are jointly managed by a promoter family and have exhibited cashflow fungibility. Refer Annexure-6 for list of entities combined.

Outlook: Stable

The outlook on the long-term rating of VSPL is "Stable" as CareEdge Ratings expects the entity would continue to benefit from extensive experience of promoters and established presence in steel industry. CareEdge Ratings expects the entity to maintain its overall financial risk profile.

Detailed description of key rating drivers:

Key strengths

Vast experience of promoters for over three decades in the long steel product industry

Incorporated in 2005, VSPL is part of the Ahmedabad, Gujarat based VG, which has presence in the long steel product industry for over three decades. The first entity of the group, Hari Om Rolling Mills was established by Indravadan D Patel as a proprietary concern in 1987 and was engaged in trading steel. In 1998, it was converted to private limited company, PSPL which is engaged in manufacturing TMT bars and electric overhead travelling (EOT) cranes under brand name "GOD". Shree Gajanand Bright Bars,

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

another group concern established in 2006, is a sole proprietary concern of Shalin Patel, which is engaged in manufacturing bright bars (raw material for the fastener). Promoters have also incorporated VSAPL engaged in manufacturing billets and commenced its operations from March 2022. VG is managed by second generation of the promoter family, Sahil Patel and Shalin Patel. Sahil Patel has completed Master of Engineering (ME - Production) from California State University (USA) and is currently managing the group's manufacturing operation. Shalin Patel has qualification of Master of Business Administration (MBA) from Australia and is currently managing the group's finance and marketing.

Established selling and distribution network

VSPL is engaged in manufacturing round bars from billets ranging from 2 mm to 200 mm. VSPL's product finds its application primarily in capital and engineering goods, infrastructure, and auto ancillary industries. VSPL has track record of over a two decades in the industry (including trading activity from 2005 to 2014) and has an established selling and distribution network. It also benefits from VG's established presence in the industry. VSPL markets its products mainly in the western India including Rajkot, Ahmedabad, Mumbai, Pune, and Nasik.

Moderate capital structure and debt coverage indicators

VG's capital structure improved, however continue to remain moderate, marked by an overall gearing of 0.80x as on March 31, 2025, against 1.03x as on March 31, 2024. Improvement is considering improved net worth owing to accretion of profits to reserves and lower outstanding debt with scheduled repayment of term loans. The group's debt coverage indicators remain moderate, marked by interest coverage and total debt to gross cash accruals (TD/GCA) of 2.86x and 4.82x, respectively, as on March 31, 2025, against 3.06x and 5.03x, respectively, as on March 31, 2024.

Key weaknesses

Moderate scale of operations and thin profitability due to limited value addition

In FY25, VG's TOI de-grew by ~9% to ₹760.09 crore on a year-over-year (y-o-y) basis due to lower realisation and dip in sales volume. Capacity utilisation of rolling mills remained at 75% in FY25 against 79% in FY24 with PBILDT/tonne of ₹991 in FY25 (FY24: ₹1063). VG has reported PBILDT margin of 2.5%-3.5% for four years ended FY25. In FY25, PBILDT and profit after tax (PAT) margin stood at 3.00%, and 0.95%, respectively, and expected to remain in the similar range in FY26, considering lower steel prices and moderate demand. Till H1FY26, VG has reported TOI of ~₹364 crore.

Profitability susceptible to volatile raw material prices

Raw material consumption is the single largest cost component accounting for ~90% cost of sales. Major raw material required for manufacturing round bars is billets and its prices are volatile. VG's profitability is susceptible to adverse movement in its raw materials prices, especially, considering competitive market scenario.

Highly competitive and cyclical industry

The long steel products industry is highly competitive with presence of many small and mid-sized players operating in the industry and a few large sized and established players. Demand for long steel product is highly cyclical and is affected by factors including global demand and supply, foreign exchange fluctuation and other macro-economic factors. Demand for VG's round bars is linked largely to demand in capital and engineering goods industry, textile industry, infrastructure industry, and auto ancillary among others, which is cyclical and closely follows the macroeconomic cycle.

Liquidity: Adequate

VG has adequate liquidity marked by moderate working capital limit utilisation, operating cycle, and liquidity ratios. VG had generated sufficient cash accruals of ₹15.40 crore in FY25 against repayment obligation of ~₹5.82 crore in FY26. Average utilisation of working capital limits remains at ~60-65% for 12 months ended January 2026. The group generally offers 20 days of credit to customer, against which most purchases are made on cash basis. Consequently, operating cycle stood moderate at 48 days in FY25 and FY24. The current ratio and quick ratio stood at 1.66x and 0.83x, respectively, as on March 31, 2025, reflecting high inventory holding. In FY25, VG has reported ₹22.09 crore cashflow from operations.

Applicable criteria

- [Consolidation](#)
- [Definition of Default](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Manufacturing Companies](#)
- [Financial Ratios – Non financial Sector](#)
- [Withdrawal Policy](#)
- [Short Term Instruments](#)
- [Iron & Steel](#)

About the company and industry

Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|-------------------------|-------------------|----------------|----------------|
| Commodities | Metals and mining | Ferrous metals | Iron and steel |

VSPL was incorporated in 2005 by Sahil Patel and Shalin Patel. Initially, the company was trading round TMT steel bars, subsequently it set up its own manufacturing facility at Bavla, Ahmedabad, Gujarat and commenced production in October 2014. As on March 31, 2025, the company had installed rolling capacity of 1,00,000 metric ton per annum (MTPA) for manufacturing bars, which are sold under the brand name 'Vivan'. The company manufactures carbon steel and milled steel (MS) bars from billets which finds application in engineering and capital goods industry, textile industry, infrastructure industry, and auto ancillary among others. The Vivan group also includes other entities; VSAPL which manufactures steel billets and ingots with a capacity of 30,000 MTPA and PSPL which manufactures TMT bars with installed capacity of 1,00,000 MTPA as on March 31, 2025.

| Brief Financials (₹ crore) | Combined (VG) | | | Standalone (VSPL) | | |
|----------------------------|---------------------|---------------------|-------------|--------------------|--------------------|-------------|
| | March 31, 2024 (UA) | March 31, 2025 (UA) | H1FY26 (UA) | March 31, 2024 (A) | March 31, 2025 (A) | H1FY26 (UA) |
| Total operating income | 831.75 | 760.09 | 363.64 | 353.84 | 346.41 | 165.11 |
| PBILDT | 27.10 | 22.78 | NA | 9.20 | 7.62 | NA |
| PAT | 9.25 | 7.20 | | 3.68 | 1.91 | |
| Overall gearing (times) | 1.03 | 0.80 | | 1.06 | 0.87 | |
| Interest coverage (times) | 3.06 | 2.86 | | 2.45 | 2.39 | |

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

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

Status of non-cooperation with previous CRA: CRISIL reviewed VSPL's ratings under Issuer not cooperating category vide press release dated August 22, 2025, considering its inability to carry out review in the absence of requisite information from the company. India Ratings moved VSPL's ratings under Issuer not cooperating category vide press release dated February 09, 2026, considering its inability to carry out review in the absence of requisite information from the company.

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 (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 BBB-; Stable |
| Fund-based - LT-Term Loan | | - | - | 30-11-2026 | 0.00 | Withdrawn |
| Non-fund-based - LT/ ST-Bank Guarantee | | - | - | - | 1.50 | CARE BBB-; Stable / CARE A3 |

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 | 38.00 | CARE BBB-; Stable | - | 1)CARE BBB-; Stable (10-Jan-25) | 1)CARE BBB-; Stable (15-Dec-23) | 1)CARE BBB-; Stable (25-Jan-23) |
| 2 | Non-fund-based - LT/ ST-Bank Guarantee | LT/ST | 1.50 | CARE BBB-; Stable / CARE A3 | - | 1)CARE BBB-; Stable / CARE A3 (10-Jan-25) | 1)CARE BBB-; Stable / CARE A3 (15-Dec-23) | 1)CARE BBB-; Stable / CARE A3 (25-Jan-23) |
| 3 | Fund-based - LT-Term Loan | LT | - | - | - | 1)CARE BBB-; Stable (10-Jan-25) | 1)CARE BBB-; Stable (15-Dec-23) | - |

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](#)

Annexure-6: List of entities consolidated

| Sr No | Name of the entity | Extent of consolidation | Rationale for consolidation |
|-------|---|-------------------------|------------------------------------|
| 1 | Vivan Steels And Alloys Private Limited | Full | Operational and financial linkages |
| 2 | Shree Parmeshwar Steels Private Limited | Full | Operational and financial linkages |

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>Kalpesh Ramanbhai Patel Director CARE Ratings Limited Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in</p> <p>Sajni Shah Assistant Director CARE Ratings Limited Phone: 079-40265636 E-mail: Sajni.Shah@careedge.in</p> <p>Karan Mehta Analyst CARE Ratings Limited E-mail: Karan.mehta@careedge.in</p> |
|--|--|

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**