

Vivan Steels And Alloys Private Limited

March 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	28.00	CARE BBB-; Stable	Assigned
Long-term / Short-term bank facilities	6.00	CARE BBB-; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

For arriving at ratings of Vivan Steels And Alloys Private Limited (VSAPL), CARE Ratings Limited (CareEdge Ratings) has considered combined business and financial profiles of three entities including VSAPL, Vivan Steels Private Limited (VSPL) 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 VSAPL 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 remained constrained due to VG's moderate scale of operations with thin profit margins. 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.

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 VSAPL's ratings, CareEdge Ratings has combined the business and financial risk profiles of VSAPL, VSPL 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 VSAPL 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 2018, VSAPL 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, 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 VSPL in 2005 engaged in manufacturing round bars, hex bars, square bars. 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

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

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

VG is engaged in manufacturing billets, round bars, hex bars, square bars, and TMT bars, among others. VG's product finds its application primarily in capital and engineering goods, infrastructure, and auto ancillary industries. VG has track record of over three decades in the industry and has an established selling and distribution network. VG 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 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 billets is steel scrap 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](#)

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About the company and industry

Industry classification

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

VSAPL was incorporated in 2018 by Sahil Patel, Shalin Patel and Indravadan Patel. The company set up manufacturing facility of Billets and Ingots at Bavla, Gujarat and commenced production in 2023. As on March 31, 2025, the company had installed capacity of 30,000 metric tonne per annum (MTPA). Majority billets are sold to its group entity VSPL. Vivan group also includes other entities; VSPL which manufactures bars with a capacity of 1,00,000 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 (VSAPL)		
	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	178.04	169.97	83.76
PBILDT	27.10	22.78	NA	10.34	7.94	NA
PAT	9.25	7.20		2.41	2.37	
Overall gearing (times)	1.03	0.80		2.76	1.52	
Interest coverage (times)	3.06	2.86		3.86	3.33	

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: 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 (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		-	-	-	28.00	CARE BBB-; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	6.00	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	28.00	CARE BBB-; Stable				
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	6.00	CARE BBB-; Stable / CARE A3				

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	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 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

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