Prestige Metallics Private Limited

April 10, 2026

Facilities	Amount (₹ crore)	Ratings[1]	Rating Action
Long-term bank facilities	49.13	CARE BBB-; Stable	Reaffirmed
Short-term bank facilities	5.00	CARE A3	Assigned

Details of facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to the bank facilities of Prestige Metallics Private Limited (PMPL) takes into account its experienced promoters, long-term relationship with Tata Steel Limited (TSL) with company being one of the exclusive distributors of TSL products in Chhattisgarh and diversified product mix. The rating also takes into consideration its satisfactory capital structure and debt protection metrics.

The rating is, however, constrained by its moderation in financial performance in FY25 (refers to the period April 1 to March 31) with improvement witnessed in 9MFY26, profitability being susceptible to fluctuation in traded goods price with cyclical nature of steel industry, fragmented nature of steel trading industry leading to intense competition and working capital intensive nature of business. The rating also notes the ongoing project implementation risk with respect to Phase 2 of setting up the cut-to-length plant.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations above ₹750 crore and operating margins beyond 6% on a sustained basis.
- Improvement in capital structure, marked by overall gearing below 0.40x and Total debt/GCA below 2x on a sustained basis.

Negative factors

- Decline in scale of operations below ₹500 crore with moderation in operating margin below 2% on a sustained basis.
- Deterioration in capital structure with overall gearing ratio going above 0.70x on a sustained basis.
- Discontinuance of distributorship with TSL.
- Any major cost or time overrun in relation to the project being undertaken by the company.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings' opinion that the entity will continue to benefit from its established relationship with the suppliers.

Detailed description of key rating drivers:

Key strengths

Experienced promoters

PMPL commenced its operation in 2009 and the company's overall operation is looked after by Sanjesh Gupta (having an experience of close to two decades). He also looks after strategic planning and execution of the company and is mostly involved in the operations of flat products. Vishal Gupta (having an experience of more than 16 years) looks after the marketing and sales of flat products. Vikash Gupta (having an experience of more than 16 years) looks after the logistics and daily operation of the company and Aditya Gupta (having an experience of more than 11 years) looks after all the operations relating to long products that the company deals in.

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

Long-term relationship with TSL

The company majorly sources its products from TSL (comprising around 80%). TSL has been company's top supplier for close to around 9 years. The company, along with another player, is the exclusive distributor of TSL products in the state of Chhattisgarh. Apart from the products which are dealt from TSL, the company purchases from other players (major being Steel Authority of India) and the same is sold Pan-India basis.

Diversified product mix

PMPL has a well-diversified product mix. The products range from MS sheet/plate, chequered plate, CR sheet, HR/CR coil, MS beam, HT wire, TMT, Rail, MS round, profile sheet, and bright bar. The company caters to various dealers, manufacturers, contractors, retailers, construction players spread across varied sectors like construction, manufacturing, warehousing and others.

Satisfactory capital structure and debt protection metrics

The capital structure of the company remained satisfactory with overall gearing improving to 0.61x as on March 31, 2025 as against 0.66x as on March 31, 2024. Additionally, the promoters infused funds amounting to approximately ₹2.96 crore during FY25, further strengthening its net worth. With accumulation of profits to reserves, the overall gearing is expected to improve going forward.

Debt coverage indicators witnessed moderation with TDGCA of 6.74x as on March 31, 2025 as against TDGCA of 3.91x as on March 31, 2024 due to decline in GCA. Going forward, same is expected to remain at similar levels.

Key weaknesses

Moderation in financial performance in FY25 with improvement witnessed in 9MFY26

TOI moderated by ~13% in FY25 and stood at ~₹559 crore compared to ₹645 crore in FY24. The moderation in performance is majorly attributable to a decline in realisation. Considering subdued demand for steel products in FY25, given the general elections in June 2024 leading to lower infrastructural spending, the company gave higher discounts to its customers. These factors led to moderation in the financial performance of the company. Accordingly, profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin moderated and stood at 2.08% in FY25 compared to 3.25% in FY24.

However, with steel prices improving in 9MFY26, the TOI during the same period stood at ₹437.58 crore and the company recorded a PBT of ₹7.67 crore compared to PBT of ₹4.00 crore in 8MFY25.

Profitability susceptible to fluctuation in traded goods price with cyclical nature of steel industry

The iron and steel industry are cyclical in nature, and the prices are exposed to market vagaries. Steel sector, being a cyclical industry, is strongly correlated to economic cycles since its key users, viz., construction, infrastructure, automobiles, and capital goods are heavily dependent on the state of the economy and any increase in prices without a corresponding increase in retail price can have an impact on the margins of the company.

Fragmented nature of steel trading industry leading to intense competition

Indian steel industry is fragmented and competitive especially in the downstream segment with low level of product differentiation which results into very high competition leading to lower bargaining power with the customers. The steel trading industry is characterised by low-entry barriers due to the minimal capex requirements and the easy availability of technology, which has resulted in a proliferation of several small and large traders spread across the country. The widespread demand for steel and the small quantities in which retail customers consume, has also led to increase in the number of players in this industry. The highly fragmented nature of the industry has resulted in intense competition within the industry, resulting in very thin profit margins.

Working capital intensive nature of business

Trading industry is characterised as a high working capital intensive nature of business with companies needed to maintain a good amount of inventory and to provide higher credit to the customers. PMPL has been managing its working capital cycle effectively owing to the terms it commands from its customers and its payments terms with its suppliers.

Project implementation risk

The company is setting up the 2nd phase of its cut to length plant (CTL) in Raipur at a cost of ₹10 crore to be funded by term loan of ₹3 crore (already tied up) and balance out of internal accruals. The plant is expected to commence operations from June 2026 (earlier estimate of April 2026). The company has already incurred around ₹2.5 crore on the project till February 19, 2026.

Liquidity: Adequate

The liquidity of the company is adequate marked by gross cash accruals of ₹7.93 crore as against debt repayment obligation of around ~₹2.29 crore in FY25. In FY26 the company has debt repayment obligation of ~₹2.56 crore (out of which the company has already paid ~₹1.83 crore till January 2026) against which the company is expected to generate sufficient cash accruals. The average monthly fund-based working capital utilisation of the company stood at 80% during the last 10 months period ended December 2025.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Short Term Instruments
Wholesale Trading

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Metals & Minerals Trading	Trading - Metals

Incorporated in 2009, PMPL based in Chhattisgarh, deals in iron and steel products like MS sheet/plate, chequered plate, CR sheet, HR/CR coil, MS beam, HT wire, TMT, Rail, MS round, profile sheet, etc. Promoters of the company have an experience of about 16 years in the steel trading business in Chhattisgarh.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	645.16	558.69	437.58
PBILDT*	20.99	11.62	NA
Profit after tax (PAT)	13.16	4.96	NA
Overall gearing (x)	0.66	0.61	NA
Interest coverage (x)	6.84	3.21	NA

A: Audited; UA: Unaudited; NA: Not Available; 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	40.00	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	May 2030	9.13	CARE BBB-; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	5.00	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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	9.13	CARE BBB-; Stable	-	1)CARE BBB-; Stable (25-Mar-26)	1)CARE BBB-; Stable (02-Jan-25) 2)CARE BBB-; Stable (22-May-24)	-
2	Fund-based - LT-Cash Credit	LT	40.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (25-Mar-26)	1)CARE BBB-; Stable (02-Jan-25) 2)CARE BBB-; Stable (22-May-24)	-
3	Non-fund-based - ST-Bank Guarantee	ST	5.00	CARE A3				

LT: Long term; ST: Short 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 - ST-Bank Guarantee	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.

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