



Press Release

Sudhesh Industries Private Limited

July 08, 2024

Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	30.00	IVR BB-/ Negative; Issuer Not Cooperating* (IVR Double B Minus with Negative Outlook; Issuer Not Cooperating*)	IVR BB+/ Negative; Issuer Not Cooperating* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating*)	Downgraded and continued under ISSUER NOT COOPERATING* category	Simple
Total	Rs. 30.00 (Rupees Thirty crore only)				

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

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded its rating assigned to the Long Term Bank facilities of Sudhesh Industries Private Limited (SIPL) reflects lack of adequate information available, non-payment of annual surveillance fee and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.



Press Release

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated May 17, 2024, May 20, 2024, May 28, 2024, June 04, 2024, June 10, 2024, and June 25, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the management of the company has not submitted the requested information for monitoring the ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information.

Accordingly, the long term rating of the bank loan facilities aggregating to Rs. 30.00 crore of Sudhesh Industries Private Limited shall be continued to the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be downgraded at 'IVR BB-/ Negative, ISSUER NOT COOPERATING' based on best available information.

Analytical Approach: Consolidated

Infomerics Ratings has consolidated the business and financial risk profile of Sarvottam Rolling Mills Private Limited and Sudhesh Industries Private Limited. This is because both the entities' promoters and line of business are same.

List of companies considered for consolidation analysis is given at Annexure 4.

Applicable Criteria:

[Policy on issuer not cooperating](#)

[Rating Methodology for Manufacturing Companies](#)

[Criteria of assigning Rating outlook](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)



Press Release

About the Company

Sudhesh Industries Private Limited (SIPL) is registered with the registrar of companies, Kanpur on 31.12.2019. The registered office of the company is situated at Village Godni, Basahi Pargana, Tehsil & Distt. Bachrach. Promoters have acquired Sudhesh Industries Pvt Ltd.'s Kanpur one unit through NCLT in July 2020 and production was started from April 2021, which is presently engaged in the manufacturing of M. S. Bar, T.M.T. Bar of varying grades: Fe 415, Fe 500 in 8mm to 32mm sizes. The promoters of the company proposed to set up Two 30MT Induction Furnace & Concast plant having installed capacity of 180000 MTPA for the manufacturing of MS Billet. Sh. Sanjay Kumar Jain Sh. Rajeev Jain are promoter of the company having two decades of experienced in steel industry.

Financials (Consolidated)

(Rs. crore)

For the year ended* / As On	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	349.62	381.70
EBITDA	4.38	17.54
PAT	2.55	9.40
Total Debt	32.94	53.39
Adjusted Tangible Net worth	47.26	68.48
Ratios		
EBITDA Margin (%)	1.25	4.60
PAT Margin (%)	0.72	2.46
Overall Gearing Ratio (x)	0.49	0.61
Interest Coverage Ratio (x)	1.68	9.60

**Classification as per Infomerics' standards*

Financials (Standalone): Sudhesh Industries Private Limited

(Rs. crore)

For the year ended* / As On	31-03-2021
	Audited
Total Operating Income	0.37
EBITDA	0.13
PAT	0.04
Total Debt	43.38
Adjusted Tangible Net worth	28.70
Ratios	
EBITDA Margin (%)	34.43
PAT Margin (%)	9.56
Overall Gearing Ratio (x)	1.11



Press Release

For the year ended* / As On	31-03-2021
Interest Coverage Ratio (x)	1.90

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (July 3, 2023)	Date(s) & Rating(s) assigned in 2022-23 (May 2, 2022)	Date(s) & Rating(s) assigned in 2021-22
1.	Term Loan	Long Term	10.00	IVR BB-/ Negative; Issuer Not Cooperating*	IVR BB+/ Negative; Issuer Not Cooperating*	IVR BBB-/ Stable	-
2.	Cash Credit	Long Term	20.00	IVR BB-/ Negative; Issuer Not Cooperating*	IVR BB+/ Negative; Issuer Not Cooperating*	IVR BBB-/ Stable	-

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

Name and Contact Details of the Rating Analyst:

Name: Jalaj Srivastava Tel: (079) 40393043 Email: jalaj.srivastava@infomerics.com
--

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



Press Release

ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	March 2027	10.00	IVR BB-; Negative ISSUER NOT COOPERATING*
Cash Credit	-	-	-	-	20.00	IVR BB-; Negative ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details: Not Available

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable



Press Release

Annexure 4: List of companies considered for consolidated analysis:

Name of the Company	Extent of Consolidation
Sarvottam Rolling Mills Private Limited	Full*
Sudhesh Industries Private Limited	Full*

*Intercompany transactions have been adjusted as per Infomerics' standard

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.