



Press Release

Sudhesh Industries Private Limited

July 3, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	30.00	IVR BB+/ Negative; Issuer Not Cooperating* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating*)	Revised and moved to 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 are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of Sudhesh Industries Private Limited (SIPL) reflects lack of adequate information available 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.

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 email communications dated May 2, 2023, May 15, 2023, June 15, 2023, June 19, 2023 and June 23, 2023 and concurrently over several phone calls. However, despite the repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the ratings.

Availability of information is very critical in the 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 ratings for the bank facilities of SRMPL



Press Release

aggregating Rs.15.00 crore has been moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

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.

Applicable Criteria:

Guidelines on what constitutes Non-Cooperation by Clients

Policy on Default Recognition

Criteria of assigning Rating outlook

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

About the company: Sudhesh Industries Private Limited

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. Bahraich. Promoters have acquired Sudhesh Industries Pvt Ltd.'s Kanpur one unit through NCLT in July 2020 & 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.

About the company: Sarvottam Rolling Mills Private Limited

Sarvottam Rolling Mills Private Limited is a Private Limited Company established at 4Km, Stone, Meerut Road, Muzaffarnagar-251003 (U.P). The Registered Office of the Company is Situated at 101, Gujrat Vihar, 2nd Floor, Vikas Marg, New Delhi-110092. The Company is engaged in the manufacturing of T.M.T Bar & M.S. Billets/ Ingots. The unit has started its commercial Production w.e.f. 18.11.2007. The installed capacity of the unit is 115000 MTPA for the manufacturing of MS Ingots & 110000 MTPA for the manufacturing of TMT Bars



Press Release

Financials (Consolidated)

(Rs.crore)

For the year ended*/ As On	31-03-2020 (Audited)	31-03-2021 (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

*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

*Classification as per Infomerics' standards

Financials (Standalone): Sarvottam Rolling Mills Private Limited

(Rs.crore)

For the year ended* / As On	31-03-2020 Audited	31-03-2021 Audited
Total Operating Income	349.59	381.34
EBITDA	4.35	17.42
PAT	2.52	9.36
Total Debt	16.13	10.02
Adjusted Tangible Net worth	31.33	39.43
Ratios		
EBITDA Margin (%)	1.25	4.57
PAT Margin (%)	0.71	2.45



Press Release

For the year ended* / As On	31-03-2020	31-03-2021
Overall Gearing Ratio (x)	0.49	0.25

**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 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (May 2, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long Term	10.00	IVR BB+/ Negative; Issuer Not Cooperating*	IVR BBB-/ Stable	-	-
2.	Cash Credit	Long Term	20.00	IVR BB+/ Negative; Issuer Not Cooperating*	IVR BBB-/ Stable	-	-

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

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



Press Release

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 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	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: 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*

Annexure 3: Facility wise lender details: Not available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

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.