



Press Release
PRABHAT GLOBAL COLOURCOATED PRIVATE LIMITED
July 17, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	60.00	ACUITE BBB+ Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	60.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB+**' (read as **ACUITE Triple B plus**) on the Rs. 60.00 Cr. bank facilities of Prabhat Global Colourcoated Private Limited (PGCPL). The outlook remains '**Stable**'.

Rationale for reaffirmation

The rating reaffirmation takes into account the efficient working capital operations of the company and healthy financial risk profile with low working capital utilisation and absence of any debt funded capex. Further, the revenues and margins were affected in FY2025 owing to lower realisations and factory accident which disrupted the production levels, however, the operations of the company have started to stabilise in FY2026 with improved realisation prices leading to a revenue generation of ~Rs. 173.40 Cr till mid of June 2025. However, the rating is constrained on account of volatility in profitability margins due to fluctuating steel prices.

About the Company

Incorporated in 2017, Mumbai based Prabhat Global Colourcoated Private Limited (PGCPL) is engaged in manufacturing of galvanized coils into pre-painted galvanized iron (PPGI) and pre-painted galvalume (PPGL) sheets. The commercial operations of the company started in October 2018 and the manufacturing unit is situated in Khopoli with an installed capacity of 1,00,000 MT/annum. The day-to-day operations are managed by Mr. Girish Jain, Managing Director, along with other directors, Mr. Karan Jain and Mr. Kunal Jain.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business risk profile and financial risk profile of PGCPL to arrive at its rating.

Key Rating Drivers

Strengths

Extensive experience of promoters

PGCPL is promoted by its Managing Director, Mr. Girish Jain who possess experience of more than three decades in the steel industry. Prior to starting PGCPL in 2017, he was engaged in trading of all types of steel (except for scrap) and also operated a rolling mill unit. The day to day operations and management are also taken care of by his sons Mr. Karan Jain and Mr. Kunal Jain. The extensive experience of the promoters has enabled the company to forge healthy relationships with their customers and suppliers.

Healthy financial risk profile

The financial risk profile of PGCPL continues to remain healthy marked by growing network, low gearing and comfortable debt protection indicators. The network stood improved at Rs. 112.74 Cr. on March 31, 2025 (Prov.) as against Rs. 103.10 Cr. on March 31, 2024. The company does not have any long-term external debt and the utilisation of working capital limits continues to remain low, maintaining the gearing below unity at 0.13 times on March 31, 2025 (Prov.) [0.15 times in PY]. The TOL/TNW levels continue to remain low at 0.13 times as on March 31, 2025 (Prov.). The Debt-EBITDA levels, though marginally increased due to decline in the EBITDA levels; continue to remain below unity at 0.91 times [0.56 times in PY] for FY2025.

Acuite expects the financial risk profile to remain healthy in absence of any debt funded capex in the near term and steady accrual generations.

Efficient working capital operations

The working capital operation of the company are efficient with working capital cycle of 54 days in FY2025 (Prov.) (41 days in PY). The debtor days stood low at 6 days in FY2025 (Prov.). The company purchases the materials from its suppliers on advance payment basis. However, given the healthy liquidity position, the company does not have to rely on its working capital limits. The average bank limit utilisation stood low at 18.04 percent for the last six months ended April 2025. However, the inventory days increased to 49 days (16 days in PY) due to high raw material stock, owing to production loss. Further, GCA days stood elevated at 97 days in FY2025 (Prov.) from 65 days in FY2024 due to increase in the other current assets on account of loans and advances provided to a director associated company.

Weaknesses

Moderation in operating performance in FY2025

The revenue of PGCPL declined by ~28 percent to Rs. 418.62 Cr. in FY2025 (Prov.) from Rs. 578.76 Cr. in FY2024. The degrowth is mainly owing to decline in the realisation prices and blast in the factory furnace in January 2024 which disrupted the production levels and also led to incurring of additional expenses to replace the furnace. Therefore, the EBITDA margin of the company declined to 2.46 percent in FY2025 (Prov.) from 4.35 percent in FY2024. However, with resumption of normal operations from post December 2024 and improvement in realisation prices in FY2026 post implementation of safeguard duty on steel imports, the company expects an improvement in the revenue as well as operating margins. The company has generated a revenue of Rs. 173.40 Cr. till June 16, 2025.

Inherent cyclical nature of the steel industry

The downstream steel sector is highly fragmented, leaving the company exposed to fierce competition from numerous organized and unorganized players. This competitive intensity, combined with the industry's intrinsic cyclicity and pronounced volatility in raw-material and finished-goods prices, subjects the company's operating margins to significant swings.

Rating Sensitivities

- Any further deterioration in the operating performance.
- Any significant debt funded capex impacting the financial risk profile
- Any stretch in the working capital affecting the liquidity levels

Liquidity Position

Adequate

The company generated net cash accruals of Rs.11.60 Cr. against no repayment obligations in FY2025 (Prov.). Going forward, the NCAs are expected to remain in the range of Rs. 14 -16 Cr. Further, the current ratio also stood healthy in absence of any major liabilities. Also the low bank limit utilization of ~18.04 % for past six months ending April 2025 provides an additional cushion to the liquidity of the company. The company also had an unencumbered cash and bank balance of Rs. 7.01 Cr on March 31, 2025 (Prov.).

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	418.62	578.76
PAT	Rs. Cr.	9.64	16.51
PAT Margin	(%)	2.30	2.85
Total Debt/Tangible Net Worth	Times	0.13	0.15
PBDIT/Interest	Times	11.69	10.62

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook	
22 Apr 2024	Cash Credit	Long Term	35.00	ACUITE BBB+	Stable (Reaffirmed)
	Packing Credit	Long Term	25.00	ACUITE BBB+	Stable (Reaffirmed)
23 Jan 2023	Cash Credit	Long Term	35.00	ACUITE BBB+	Stable (Reaffirmed)
	Packing Credit	Long Term	25.00	ACUITE BBB+	Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE BBB+ Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB+ Stable Reaffirmed

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Kruti Patel Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.