



Press Release
OM SAIRAM STEELS AND ALLOYS PRIVATE LIMITED
September 01, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	331.00	ACUITE A- Stable Reaffirmed	-
Bank Loan Ratings	160.00	-	ACUITE A2+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	491.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of ‘**ACUITE A-’** (read as **ACUITE A minus**) and short-term rating of ‘**ACUITE A2+’** (read as **ACUITE A two plus**) on the Rs. 491.00 Cr. bank facilities of Om Sairam Steels and Alloys Private Limited (OSSAPL). The outlook is ‘**Stable**’.

Rationale for reaffirmation

The rating reaffirmation takes into the account the moderation in operating performance of the group. Further, rating draws support from established track record of the group in Sponge iron and TMT manufacturing sector, healthy financial risk profile and debt funded capex envisaged in a subsidiary. However, these strengths are constrained by the moderately intensive working capital operations, cyclical nature of the steel industry and the vulnerability of the margins to the volatility in commodity prices.

About the Company

Jalna – Based, Om Sairam Steels and Alloys Private Limited (OSSAPL) was incorporated in 2003. The company sells its TMT bars in the name of Uma TMT 500 which is well established brand in Maharashtra, Gujarat, Goa, Karnataka, and Andhra Pradesh. The company offers a wide range of products like billets and end products like construction bars and round bars used by the construction Industry and automobile industry respectively. The Present Directors of the company are Mr. Dinesh Satyanarayan Bharuka, Mr. Rajendra Satyanarayan Bharuka and Mr. Jawahar Shankarlal Dembda.

About the Group

Sanvijay Alloys and Power Limited (SAPL)

Sanvijay Alloys and Power Limited (SAPL) was acquired by OSSAPL in the year 2022, is in the business of manufacturing sponge Iron and generation of power. The company was incorporated in 2003 and is based in Chandrapur. The directors of the company are Mr. Rajendra Satyanarayan Bharuka, Mr. Dinesh Satyanarayan Bharuka, Mr. Shamsundar Ramaprasad Sharma, Mr. Vandana Jawahar Dembda and Mr. Kalme Sandipkumar Ashokrao.

Somu Steel and Power Limited (SSPL)

Somu Steel and Power Limited (SSPL) is a 100 per cent subsidiary of Sanvijay Alloys and Power Limited (SAPL) incorporated in the year 2007. The company is yet to commence operations and only has land, however It is proposed to start manufacturing of iron and steel products in 2-3 years which is in planning stage as of now. Directors include Mr. Saurabh Sanjay Agrawal, Mr. Rajendra Satyanarayan Bharuka, Mr. Ajay Purnanlal Agrawal, Mr. Sanjay Agrawal Purnanlal, and Mr. Dinesh Satyanarayan Bharuka.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has considered consolidated business and financial risk of Om Sairam Steel and Alloys Private Limited (OSSAPL) and its wholly owned subsidiary i.e. Sanvijay Alloys and Power Limited (SAPL) and step-down subsidiary namely Somu Steel and Power Limited (SSPL), hereinafter referred to as Om Sairam Group (OSG). The consolidation is in the view of integrated nature of business, common promoters and corporate guarantee extended by OSSAPL to SAPL.

Key Rating Drivers

Strengths

Experienced promoters and an established track record of operations

OSSAPL has a long operational track record in the iron and steel industry spanning two decades. Mr. Dinesh S. Bharuka started his career in 1986 with his family business of dealing in scrap metal at various steel processing plants in Maharashtra. In 2003, he and his brother, Mr. Rajendra Bharuka, incorporated this company and entered the steel business. The extensive experience of promoters has helped the group establish long-term relationships with its customers. OSSAPL's manufacturing facility is located in Jalna, MH, with billet production capacity of five lakh metric tons per year and five lakh fifty thousand metric tons of TMT bars per year. In FY23, OSSAPL acquired Sanvijay Alloys and Power Limited as part of a backward integration initiative. In FY2024, the group acquired a thermal power plant with a capacity of 40 MW from Kiloskar Group.

Moderation in the operating performance

The group's revenues have declined to Rs. 1,359.18 Cr. in FY2025 (Est.) as against Rs. 1551.03 Cr. in FY2024. The decline in revenue is due to a decline in the quantity sold. In Q1FY26, the group has recorded revenue of Rs. 563.63 Cr. (this is without considering the inter party sales). The operating margins of the group stood at 14.02 per cent in FY2025 (Est.) and 14.40 per cent in FY24. Further, the group PAT margin has stood at 6.64 per cent in FY2025 (Est.) as against 6.59 per cent in FY2024. The improvement in PAT margins is majorly due to increase in other income. Acuite believes that the business risk profile will improve in the medium term.

Healthy financial profile risk

OSG's financial risk profile is healthy marked by healthy capital structure and coverage indicators. OSG's net worth stood Rs. 595.13 Cr. as on March 31, 2025 (Est.) as against Rs. 467.05 Cr. as on 31 March, 2024. The increase in net worth is due to accretion of profits to reserves and capital infusion. The gearing ratio has improved to 1.61 times as on March 31, 2025 (Est.) as against 1.58 times as on March 31 2024. The total debt of the group stood at 960.64 Cr. as on March 31, 2025 (Est.) consists of Rs. 404.54 Cr. Term loans, Rs. 169.55 Cr. of loan from promoters, short-term working capital debt of Rs. 361.66 Cr. and CPLTD of Rs.24.89 Cr. Interest coverage ratio stood comfortable at 3.60 times as on March 31, 2025 (Est.) and 3.93 times as on March 31, 2024. The net cash accrual (NCA) to total debt (TD) is 0.14 times as on March 31, 2025 (Est.) as against 0.20 times as on March 31, 2024. The Total outside liabilities to Tangible net worth stood at 1.82 times for FY2025 (Est.) as against 1.91 times in FY2024. SAPL is undertaking a ₹770 Cr. capex over the next three years to set up a 650×2 TPD DRI plant, a 1.2 million TPA pellet and beneficiation plant, and a 50 MW power plant to support sponge iron needs for OSAPL, aiming for 80–85 per cent capacity utilization. Of the total cost, ₹500 Cr. is bank-funded (sanctioned), and ₹250 Cr. will come from internal accruals, with ₹450.98 Cr. already incurred as on date. The project is expected to be operational by Sept 2026. Meanwhile, OSSAPL has no near-term capex plans, with a ₹41.6 work in progress reflecting prior civil work for future furnace expansion, focusing currently on optimizing existing capacity. Acuite believes that timely completion and stabilisation of the ongoing capex will remain a key rating that is monitorable.

Weaknesses

Moderately intensive working capital management

OSG's working capital operations remained moderately intensive in nature as reflected by its gross current asset

(GCA) days of around 196 days in FY25 (Est.) as against 119 days in FY24. Company maintains an inventory of about 60 days in FY25 (Est.) as compared to 50 days in FY24. OSG debtor's days stood at 20 days in FY25 (Est.) as against 26 days in FY24. Creditor's days also stood at 17 days in FY25 (Est.) as against 19 days in FY24. Further, the average bank limit utilisation for fund-based limits stood moderate at ~ 76 per cent and non-fund based limits stood high at ~ 92.50 per cent. Acuite believes, that the working capital operations of the group will remain at same level as evident from collection mechanism and comfortable inventory levels over the medium term.

Intense competition and inherent cyclical nature of the steel industry

The steel-rolling industry remains fragmented and unorganized. The company is exposed to intense competitive pressures from many organized and unorganized players, along with its exposure to the inherent cyclical nature of the steel industry. Additionally, prices of raw materials and products are highly volatile in nature. Business operations also face competition from cheaper Indonesian and Chinese imports. A substantial increase in imports may adversely impact realization and volumes and, hence, remain a key monitorable.

ESG Factors Relevant for Rating

Om Sairam Steels & Alloys Private Limited reflects responsible business practices through its well-established brand "Uma TMT 500," catering to key markets across western and southern India. The company offers a diverse product range including billets, construction bars, and round bars, serving both the construction and automobile sectors. While specific environmental and social initiatives are not disclosed, governance is anchored by an experienced leadership team comprising Mr. Dinesh Satyanarayan Bharuka, Mr. Rajendra Satyanarayan Bharuka, and Mr. Jawahar Shankarlal Dembda.

Rating Sensitivities

- Improvement in revenue and profitability margins
- Elongation of working capital cycle
- Timely completion and stabilisation of the ongoing capex
- Deterioration in financial risk profile owing to higher-than-expected debt funded capex

Liquidity Position

Adequate

OSG's net cash accruals remained adequate and stood at Rs. 135.75 Cr. for FY25 (Est.) as against maturing repayment obligation of Rs. 34.39 Cr. during the same period. OSG's current ratio stood at 1.53 times and cash and bank balances stood at Rs.2.13 Cr as on March 31, 2025 (Est.). Group's GCA days are around 115 to 196 days this makes group moderately dependent on bank borrowing for working capital requirement. Net cash accruals are expected to be in the range of Rs.148 to 180 Cr. during FY26 to FY27 against repayment obligation ranging between Rs.40 to 50 Cr. during the same period. Further, the average bank limit utilisation for fund-based limits stood moderate at ~ 76 per cent and non-fund based limits stood high at ~ 92.50 per cent for the period ending June 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	1551.03	1491.98
PAT	Rs. Cr.	102.14	120.64
PAT Margin	(%)	6.59	8.09
Total Debt/Tangible Net Worth	Times	1.58	1.79
PBDIT/Interest	Times	3.93	5.61

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

Not Applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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. Acuite'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	
03 Jun 2024	Term Loan	Long Term	20.43	ACUITE A-	Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	16.45	ACUITE A-	Stable (Reaffirmed)
	Cash Credit	Long Term	22.00	ACUITE A-	Stable (Reaffirmed)
	Cash Credit	Long Term	130.00	ACUITE A-	Stable (Reaffirmed)
	Term Loan	Long Term	31.68	ACUITE A-	Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE A-	Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	20.83	ACUITE A-	Stable (Reaffirmed)
	Term Loan	Long Term	41.61	ACUITE A-	Stable (Reaffirmed)
	Cash Credit	Long Term	23.00	ACUITE A-	Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	60.00	ACUITE A2+	(Reaffirmed)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2+	(Reaffirmed)
	Letter of Credit	Short Term	40.00	ACUITE A2+	(Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A2+	(Reaffirmed)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A2+	(Reaffirmed)
06 Mar 2023	Term Loan	Long Term	54.00	ACUITE A-	Stable (Reaffirmed)
	Cash Credit	Long Term	18.00	ACUITE A-	Stable (Reaffirmed)
	Term Loan	Long Term	25.00	ACUITE A-	Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	17.00	ACUITE A-	Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A-	Stable (Reaffirmed)
	Cash Credit	Long Term	107.00	ACUITE A-	Stable (Reaffirmed)
	Term Loan	Long Term	35.00	ACUITE A-	Stable (Assigned)
	Proposed Cash Credit	Long Term	60.00	ACUITE A-	Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2+	(Reaffirmed)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A2+	(Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A2+	(Reaffirmed)
	Proposed Bank Guarantee	Short Term	60.00	ACUITE A2+	(Assigned)
	Proposed Letter of Credit	Short Term	30.00	ACUITE A2+	(Assigned)
07 Feb 2023	Cash Credit	Long Term	71.00	ACUITE A-	Stable (Reaffirmed)
	Cash Credit	Long Term	36.00	ACUITE A-	Stable (Assigned)
	Term Loan	Long Term	54.00	ACUITE A-	Stable (Reaffirmed)
	Cash Credit	Long Term	18.00	ACUITE A-	Stable (Reaffirmed)
	Term Loan	Long Term	25.00	ACUITE A-	Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	17.00	ACUITE A-	Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A-	Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2+	(Reaffirmed)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A2+	(Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A2+	(Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE A2+ Reaffirmed
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A2+ Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A2+ Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	130.00	Simple	ACUITE A- Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A- Stable Reaffirmed
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE A- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	23.00	Simple	ACUITE A- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A2+ Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A2+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	24.12	Simple	ACUITE A- Stable Reaffirmed
Bajaj Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Apr 2031	22.19	Simple	ACUITE A- Stable Reaffirmed
Bajaj Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Sep 2029	24.96	Simple	ACUITE A- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Mar 2028	32.09	Simple	ACUITE A- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Mar 2028	15.31	Simple	ACUITE A- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Dec 2027	12.33	Simple	ACUITE A- Stable Reaffirmed

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr.No	Company Name
1	Sanvijay Alloys and Power limited
2	Om Sairam Steels and Alloys Private Limited
3	Somu Steel and Power Limited

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About Acuité Ratings & Research

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