



Press Release
ELOQUENT STEEL PRIVATE LIMITED
September 04, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	196.00	ACUITE A- Stable Reaffirmed	-
Bank Loan Ratings	95.00	-	ACUITE A2+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	291.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of "ACUITE A- (read as ACUITE A Minus)" and the short-term rating of "ACUITE A2+ (read as ACUITE A Two Plus)" for Rs. 291.00 Cr. bank facilities of Eloquent Steel Private Limited (ESPL). The outlook is 'Stable'.

Rationale for Rating

The rating takes into cognizance the strong business risk profile marked by increase in the scale of operations supported by volume of sales attributed to the increased capacity albeit decrease in the prices of steel. The group has also entered into the business of aluminium bare foil manufacturing through Shakambhari Ispat and Power Limited (erstwhile Ess Dee Aluminium Limited) since FY25. The rating considers the integrated nature of its steel business and the benefits derived from the same in its topline and profitability on Y-o-Y basis. The rating also factors in its revenue diversity across the steel sector and the comfortable financial risk profile of the company characterized by robust net worth, capital structure and comfortable coverage indicators. The rating considers the strong liquidity position of the group marked by sufficient cushion in the net cash accruals, moderate bank limit utilization and absence of any major det funded CAPEX plans in the medium term. These strengths are, however, partly offset by intensive working capital cycle and presence in a competitive and fragmented steel business.

About the Company

Eloquent Steel Private Limited (ESPL) was incorporated in 2012 and the company was engaged in trading of goods. However, in November 2017, the company was taken over by Mr. Deepak Agarwal. ESPL acquired existing plants in Q3FY18, through auction from Official Liquidator of Honourable High Court, Kolkata, and through bidding in auction notice from bank. Both the plants consisted of Ferro Alloy manufacturing facilities as well as steel melting shop. The production has started in November 2018 of Ferro Alloys. The company deals in Ferro Products, billets and rolled products. It has its registered office in Kolkata. Directors of the company are Mr. Ramabatar Agarwal, Mr. Deepak Kumar Agarwal and Ms. Swati Agarwala.

About the Group

Shakambhari Ispat And Power Limited

Kolkata based, Shakambhari Ispat and Power Limited (SIPL) was incorporated in 2001 as Ma Chhinnamastika Steel & Power Private Limited. Later in December 2010, the company was acquired by Shakambhari Group and the name of the company was changed to Shakambhari Ispat and Power Limited. SIPL also has an integrated manufacturing facility of TMT bars with captive sponge iron and mild steel billets plants supported by captive power plants. The company sells its TMT bars under the brand name of 'Thermocon' and 'Elegant'. As on date, the

company has been amalgamated with Ess Dee Aluminium Limited. The directors of the Company were Mr. Ramabatar Agarwal, Mr. Ranjit Banerjee, Mr. Ashok Kumar Sharma, Mr. Deepak Kumar Agarwal, Ms. Priyanka

Goenka and Mr. Vikrant Ranjan.

SPS Steels Rolling Mills Limited (SPS)

SPS Steels Rolling Mills Limited (SPS) was established in 1981 by Mr. Bipin Vohra and has its registered office located in Kolkata, West Bengal. The company is an integrated steel manufacturing unit with facilities of sponge iron, billets and rolling mill. The manufacturing unit of the company is in Durgapur, West Bengal and Purulia, West Bengal. The company sells its TMT bars under the brand name of 'Elegant.' The company was acquired by the Shakambhari Group from NCLT in April 2019. SPS's manufacturing unit is in Durgapur, West Bengal. The company deals in sponge iron, billet, rolled product, ferro alloys and has a 10MW for captive power plant. Directors of the company are Mr. Deepak Kumar Agarwal, Mr. Ashok Kumar Sharma, Ms. Priyanka Goenka, Mr. Pranab Sarkar and Mr. Vikrant Ranjan.

Bravo Sponge Iron Private Limited (BSIPL)

Bravo Sponge Iron Private Limited (BSIPL: erstwhile known as Piyushripcon Finance Private Limited) was incorporated in 1997 by Jamshedpur-based Bhalotia group. BSIPL's plant was shut down during April 2014 to May 2015 as the plant was making loss. In June 2015, Kolkata-based Shakambhari Group took over the control of the company. BSIPL deals in sponge iron, billet, pellets and 23.9 MW of captive power plant at its plant located at Rukni, Purulia in West Bengal. As on date, the company has been amalgamated with Shakambhari Ispat and Power Limited. Subsequently, Shakambhari Ispat and Power Limited is amalgamated into Ess Dee Aluminium Limited (now renamed to Shakambhari Ispat and Power Limited). The directors of the Company were Mr. Deepak Agarwal, Ms. Swati Agarwala, Mr. Sanjeev Kumar Sachan and Mr. Ramabatar Agarwal.

Shakambhari Ispat And Power Limited (Erstwhile ESS DEE Aluminium Limited)

The company was acquired from NCLT by Shakambhari Group in February 2023 as Ess Dee Aluminum Limited. The company was engaged in manufacturing of aluminium products. Post the NCLT order for the scheme of amalgamation dated 10th June 2025, SIPL and BSIPL were amalgamated into Ess Dee Aluminum Limited, and the name of the latter entity was changed into Shakambhari Ispat and Power Limited. The ongoing operations of earlier SHAKAMBHARI ISPAT AND POWER LIMITED and BRAVO SPONGE IRON PRIVATE LIMITED are being continued in Shakambhari Ispat and Power Limited (Erstwhile ESS DEE Aluminium Limited), the company is also into aluminium bare foil manufacturing presently. The company is based out of West Bengal. Directors of the company are Mr. Deepak Kumar Agarwal, Mrs. Swati Agarwala, Mr. Ashok Kumar Sharma, Mrs. Priyanka Goenka, Mr. Pranab Sarkar and Mr. Vikrant Ranjan.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has changed the consolidation approach due to amalgamation of SIPL and BSIPL into Shakambhari Ispat and Power Limited (Erstwhile ESS DEE Aluminium Limited.) The current consolidation takes into account Shakambhari Ispat and Power Limited (Erstwhile ESS DEE Aluminium Limited), Eloquent Steel Private Limited (ESPL) and SPS Steels Rolling Mills Limited (SPS). The consolidation has been undertaken as all the entities are in the same line of business, share common management and has significant operational linkage between them. The group herein is referred to as Shakambhari Group.

Key Rating Drivers

Strengths

Long operational track record with integrated operations and experienced management

The Shakambhari group has a long track record of over two decades in the iron and steel industry. Currently the group is headed by Mr. Deepak Kumar Agrawal who has an experience of more than three decades in the iron and steel industry. Over the years, the promoters have acquired companies from NCLT and refurbished them to undertake steel manufacturing business. The group is integrated with manufacturing of sponge iron, billets, pellets, rolled products, structures products, etc. and also has captive power plant. The company is now also engaged in bare foil aluminium product. Currently the group is selling steel products in the Eastern, Western and Northern parts of India such as West Bengal, Jharkhand, UP, Bihar Assam, Rajasthan, Madhya Pradesh, Gujarat, Delhi, Haryana and Punjab through its extensive distribution channels which includes about 12000 dealers and about 3200 distributors. The group has two established TMT brands, 'Thermocon' and 'Elegant' which have a strong brand

recall in West Bengal and its neighbouring states. The group caters to both domestic and overseas markets such as Nepal, Japan, South Korea, Brazil, USA, Canada, European Countries, etc. among others. For aluminium, the group has re started production on a small scale presently and caters to pharma companies and food grade manufacturers. Acuité derives comfort from the long experience of the promoters and their ability to run the operations efficiently which is being reflected in their Y-o-Y performance.

Improved scale of operations

The group have achieved a revenue of Rs. 6098.39 Cr in FY25 against Rs. 5544.78 Cr in FY24. The increase of 9.98% is attributed to the increased volume of sales albeit moderation in price realization. The EBITDA margins of the group stood at 12.85% in FY25 as compared to 10.96 % in FY24. The PAT margins of the group stood at 3.65% in FY25 as compared to 5.43% in FY24. The decrease in PAT is attributed to the increase in interest cost from the term loans taken to fund the CAPEX plans and the adjustments of deferred tax. The topline of the group for Q1FY2026 is Rs. 1982.27 Cr (Provisional). The growth is driven by a rise in average realization of TMT bar and ferro alloy because of strong demand from end user industries such as construction, real estate, export etc. In addition to this, the group has enhanced its existing capacities and level of integration and successfully completed the CAPEX plans to move past the project execution risk. Moreover, the group has a locational advantage as the plants are in the industrial area of West Bengal, which is near various steel plants and sources of raw materials. Further the plants are well connected through road and rail transport which facilitates easy transportation of raw materials and finished goods. For easy transportation of goods, the group holds 10 Rakes acquired by it under The General-Purpose Wagon Investment Scheme (GPWIS) scheme of railway. The Group has also entered the business of Aluminium Bare Foil Manufacturing in FY26. Going forward, the group is likely to improve the business risk profile on account of enhanced production limits.

Healthy financial risk profile

The group's financial risk profile is marked by strong net worth, moderate gearing and comfortable debt protection metrics. The tangible net-worth of Rs. 2738.89 Cr as on 31st March 2025 against Rs. 2498.18 Cr as on 31st March 2024. The improvement has been noticed on account of ploughing back of profits. The total debt of the group is Rs. 3285.15 Cr as on 31st March 2025 against Rs. 2801.28 Cr. as on 31st March 2024. The gearing stands moderate at 1.20 times in FY25 against 1.12 times in FY24. Further, the interest coverage ratio of the group stood at 2.52 times in FY25 against 2.34 times in FY24. The debt service coverage ratio stood at 1.22 times in FY25 against 1.62 times in FY24. The decline in coverage indicators has been observed because of the increased loan driven by capital expenditures, alongside the associated rise in interest costs. The TOL/TNW stood at 1.43 times in FY25 against 1.30 times in FY24. Net Cash Accruals/Total Debt (NCA/TD) stood healthy at 0.12 times as on March 31, 2025, against 0.16 times as on March 31, 2024. Acuité believes that the financial risk profile of Shakambhari Group is likely to improve in the medium term due to steady cash accruals after completion of CAPEX plans and repayment of debt leading to expected improvement in debt protection metrics.

Weaknesses

Intensive Working Capital Operations

The working capital operations of the group remained intensive marked with stable GCA days which stood at 185 days as on as on 31st March 2025 against 161 days as on 31st March 2024. The inventory days of the group stood at 104 days as on 31st March 2025 as against 95 days as on 31st March 2024. The debtor days of the group stood at 27 days as on 31st March 2025 as against 29 days as on 31st March 2024. The slight moderation was on account of better inventory management and operational efficiencies derived due to rake procurement and other integration activities within the group. On the other hand, the creditor days of the group stood at 24 days as on 31st March 2025 against 12 days as on 31st March 2024. Acuité believes that Shakambhari group is likely to remain moderate on account of efficient collection mechanism and high inventory levels over the medium term.

Intense competition and inherent cyclical nature of the steel industry

The downstream steel industry remains heavily fragmented and unorganized. The company is exposed to intense competitive pressures from large number of organized and unorganized players along with its exposure to inherent cyclical nature of the steel industry. Additionally, prices of raw materials and products are highly volatile in nature. Acuite believes that the group remains exposed to such cyclical nature and competition in the steel industry is reflected from volatility to its operating margins.

ESG Factors Relevant for Rating

Manufacture of metals has a substantial environmental impact. The production of basic metals is extremely power intensive. Steel is still produced with blast furnaces, releasing large amounts of carbon dioxide, nitrogen oxide, and particulate matters into the air. On the social front, occupation and workforce health & safety management are of primary importance to this industry given the dangerous nature of operations. Furthermore, factors such as ethical business practices, management compensation and board administration hold primary importance within this industry. Shakambhari Group's CSR initiative, in collaboration with the Elegant Foundation, focused on enhancing the wellbeing of communities surrounding their plant. The group aimed to provide essential education, clean water, and other necessities, while also fostering community development through sports and educational sponsorships.

Together, they demonstrated a strong commitment to improving lives and building stronger community relations.

Rating Sensitivities

Movement in operating income while sustaining profitability.

Movement in debt protection metrics

Movement in working capital cycle

Liquidity Position

Strong

The liquidity profile of the group is strong. The group generated a net cash accrual of Rs. 396.43 Cr. as on as on 31st March 2025 against the debt repayment obligations of Rs. 269.19 Cr. in the same period. The current ratio of the group stood at 1.20 times as on 31st March 2025 against 1.38 times as on 31st March 2024. The slight moderation can be attributed to the increase in short term debt on account of increased operations. The NCA/TD stood at 0.12 times in FY25 as against 0.16 times in FY24. Further, the average bank limit utilization at 86.51 % for 6 months ending July 2025. Acuité believes that the liquidity of the group is likely to remain adequate over the medium term on account of better accruals that will be generated with the help of increased capacity and absence of any major debt funded CAPEX in the medium term.

Outlook : Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	6098.39	5544.78
PAT	Rs. Cr.	222.48	301.20
PAT Margin	(%)	3.65	5.43
Total Debt/Tangible Net Worth	Times	1.20	1.12
PBDIT/Interest	Times	2.52	2.34

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, Acuite 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	
23 May 2025	Term Loan	Long Term	50.48	ACUITE A-	Stable (Assigned)
	Term Loan	Long Term	19.34	ACUITE A-	Stable (Assigned)
	Cash Credit	Long Term	41.60	ACUITE A-	Stable (Assigned)
	Covid Emergency Line.	Long Term	2.22	ACUITE A-	Stable (Assigned)
	Term Loan	Long Term	3.19	ACUITE A-	Stable (Assigned)
	Cash Credit	Long Term	38.40	ACUITE A-	Stable (Assigned)
	Proposed Cash Credit	Long Term	40.00	ACUITE A-	Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.77	ACUITE A-	Stable (Assigned)
	Letter of Credit	Short Term	20.00	ACUITE A2+	(Assigned)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A2+	(Assigned)
	Letter of Credit	Short Term	20.00	ACUITE A2+	(Assigned)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A2+	(Assigned)
	Proposed Bank Guarantee	Short Term	25.00	ACUITE A2+	(Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2+ Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	41.60	Simple	ACUITE A- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	38.40	Simple	ACUITE A- Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2026	2.22	Simple	ACUITE A- Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A2+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A2+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A2+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.77	Simple	ACUITE A- Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	09 Oct 2018	Not avl. / Not appl.	31 Mar 2026	3.19	Simple	ACUITE A- Stable Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	30 Aug 2023	Not avl. / Not appl.	31 Mar 2031	19.34	Simple	ACUITE A- Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	27 Oct 2023	Not avl. / Not appl.	30 Apr 2031	50.48	Simple	ACUITE A- Stable Reaffirmed

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

Sr. No.	Company name
1	Shakambhari Ispat and Power Limited (Amalgamated)
2	SPS Steels Rolling Mills Limited
3	Eloquent Steel Private Limited
4	Bravo Sponge Iron Private Limited (Amalgamated)
5	Shakambhari Ispat & Power Limited (Erst. ESS De Aluminium Limited)

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About Acuité Ratings & Research

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