Crisil Ratings

Rating Rationale

June 18, 2026 | Mumbai

SG Mart Limited

Ratings placed on 'Watch Positive'

Rating Action

Total Bank Loan Facilities Rated	**Rs.940 Crore**
Long Term Rating	**Crisil A/Watch Positive (Placed on 'Rating Watch with Positive Implications')**
Short Term Rating	**Crisil A1/Watch Positive (Placed on 'Rating Watch with Positive Implications')**

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has placed its ratings on the bank facilities of SG Mart Limited (SG Mart) on '**Rating Watch with Positive Implications'**.

The rating action follows the announcement made by SG Mart on June 9, 2026, wherein Mr. Sameer Gupta (erstwhile promoter of SG Mart) gifted 35.07% of SG Mart's shares to his brother Mr Sanjay Gupta, the Chairman and Managing Director of APL Apollo Tubes Ltd (rated 'Crisil AA+/Stable/Crisil A1+') and chairman of Apollo Pipes Ltd (rated 'Crisil A/Crisil A1/Watch Positive'). Mr. Sanjay Gupta and his family have been actively involved in operations of SG Mart, along with other companies, including APL Apollo Tubes Ltd, Apollo Pipes Ltd and SG Finserv Ltd. Consequently, analytical approach of SG Mart will change from standalone to group notch up framework. Crisil Rating shall be engaging with the management to seek further clarity on the extent of technical and financial support to be made available to SG Mart and resolve the watch on obtaining the same.

In FY26, the company's revenue grew by 8% to Rs 6,315 crores supported by healthy growth across all segments. EBITDA margins improved to 2.2% in FY26 from 1.8% in FY25 supported by improving share of value added service centers and renewable segment. Over the medium term, revenues are expected to grow by 14-15% supported by ramp up of Service centers and renewable segment, while margins are expected to remain at 2-2.5% Capital structure remains strong, supported by equity infusion of over Rs 1,295 crore between fiscal 2024 and 2026. The total outside liabilities to adjusted networth (TOL/ANW) ratio improved to 0.41 times in FY26, as against 0.90 times as on March 31, 2025. Interest coverage also remained healthy at 4.02 times in fiscal 2026 and is expected to improve to over 6 times over the medium term. Cash and cash equivalents of over Rs 984 crore as on March 31, 2026, also aid liquidity.

The rating draws strength from the expectation of healthy growth in scale over the next few fiscals, efficient working capital management and the healthy distribution network of the company. The rating is partially constrained by exposure to intense competition in the building products trading business.

Analytical Approach

The Crisil Ratings has combined the business and financial risk profile of SG Mart and its subsidiaries and taken a consolidated approach.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers - Strengths

Healthy scale up in revenue, supported by a healthy distribution network:

SG Mart was acquired in April 2023, since then the company has been able to achieve a healthy ramp up in its revenue, with revenue scaling up from Rs. 2683 crores in fiscal 2024 to Rs. 5856 crores in fiscal 2025. During 9m fiscal 2026, revenue grew to over Rs 4492 crores.

To offset the impact of falling steel prices and focus on value added products, the company deliberately increased focus on service center operations. Subsequently, the contribution of service centers to the overall revenues increased to 49% in 9m fiscal 2026 from 34% in the previous year. The company also started Renewable structure segment in Q1 of fiscal 2026, which has ramped up to 7% of the overall revenues in 9m fiscal 2026.

The revenue is expected to grow double digits in the next two fiscals between fiscal 2027 and fiscal 2028 driven by ramp up of these segments.

The company has a healthy and growing network. Products are supplied throughout India via 680 dealers operating through 7 Cut-To-Length (CTL) Service Centers and plans to add 5 more stations by end of fiscal 2027. As CTL is a value-added service, the segment is likely to support growth in revenue and profitability.

Well laid out policies minimizing inventory and debtor risk:
The company has a strong inventory and debtor policy to efficiently manage risk emanating from volatility in inventory prices and bad debtors and reduce working capital requirements. Its working capital remains healthy, with a GCA days of 40-50 days, which is expected to increase marginally to 50-60 days in the medium term due to higher inventory requirement at the Service Centers.

Receivable days are comfortable at less than 20 days reducing any major debtor risk as well. Further, there is no dealer concentration with top customers forming 5.3% of total revenue in fiscal 2026. The number of dealers has increased from 110 on September 30, 2023, to 681 on Feb 28, 2026.

The company generally pays its suppliers within 15-20 days and has established ties with major steel companies, which ensures the quality of the products sold.

With healthy policies SG Mart has been efficiently managing its working capital cycle.

Key Rating Drivers - Weaknesses
Low margin constrained by intense competition:
The trading industry is intensely competitive as customers have the option to switch to suppliers who offer favourable terms of pricing. Hence, the operating margin is low at less than 2.5%. However, the moderate scale and strong liquidity will enable the company to procure products at a good rate and offer competitive pricing to dealers while maintaining its margin.

Volatility in raw material prices and forex rates:
Operating profitability will remain susceptible to volatility in commodity prices and foreign exchange (forex) rates. Forex risk has now decreased as the company procured all its steel domestically in the current year. However, any change in procurement policy and the associated forex risk would remain key monitorable

As steel is the major raw material, SG Mart remains exposed to volatility in steel prices. Any sharp fluctuation in steel prices may affect operating profitability. However, a low inventory period shields them from any adverse price fluctuations.

Liquidity Adequate
Liquidity is marked by cash equivalent of over Rs 984 crore as on March 31, 2026, and further supported by low bank limit utilisation. Sanctioned limit of Rs 600 crore was utilised only around 41%, over the six months through Feb 2026. Expected cash accrual of Rs 80-100 crore, along with the cash surplus, should suffice to fund capex of Rs 170-200 crore, going forward, in the absence of any term debt obligation.

Rating sensitivity factors
Upward factors
- Significant increase in scale of operations driven by healthy product and geographical diversification, while maintaining EBITDA margins at around 2.5% benefitting cash generation
- Sustenance of healthy financial risk profile and efficient working capital management.
- Articulation of support from APL Apollo Group

Downward factors
- Decline in revenues with EBITDA margins falling below 1.5% on sustained basis impacting cash accruals.
- Weakening of financial risk profile due to higher-than-expected debt funded capex or any major acquisition

About the Company
SG Mart (erstwhile Kintech Renewable Ltd) was acquired by Mr. Dhruv Gupta and Mrs. Meenakshi Gupta in April 2023. The company trades in more than 1,700 building products and derives the bulk of its revenue from HR coils, CTL HR coils and TMT bars. It is appointing channel partners to further penetrate the construction sector and has positioned itself as a one-stop solution provider for all construction needs. It is also listed on the BSE.

Key Financial Indicators

As on / for the period ended March 31		2025	2024
Revenue	Rs crore	5856	2683
PAT	Rs crore	103	61
PAT margin	%	1.8	2.27
Adjusted debt/adjusted net worth	Times	0.57	0.17
Interest coverage	Times	4.29	8.04

Any other information: Not applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Fund-Based Facilities	NA	NA	NA	225.00	NA	Crisil A/Watch Positive
NA	Non-Fund Based Limit	NA	NA	NA	715.00	NA	Crisil A1/Watch Positive

Annexure – List of entities consolidated

Fully consolidated entities	Extent of consolidation	Rationale for consolidation
SG Mart FZE	Full	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	225.0	Crisil A/Watch Positive	27-03-26	Crisil A/Stable	06-01-25	Crisil A/Stable	12-08-24	Crisil A/Stable		--	--
Non-Fund Based Facilities	ST	715.0	Crisil A1/Watch Positive	27-03-26	Crisil A1	06-01-25	Crisil A1	12-08-24	Crisil A1		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Fund-Based Facilities	**50**	**HDFC Bank Limited**	**Crisil A/Watch Positive**
Fund-Based Facilities	**10**	**Axis Bank Limited**	**Crisil A/Watch Positive**
Fund-Based Facilities	**140**	**YES Bank Limited**	**Crisil A/Watch Positive**
Fund-Based Facilities	**25**	**ICICI Bank Limited**	**Crisil A/Watch Positive**
Non-Fund Based Limit	**300**	**HDFC Bank Limited**	**Crisil A1/Watch Positive**
Non-Fund Based Limit	**240**	**Axis Bank Limited**	**Crisil A1/Watch Positive**
Non-Fund Based Limit	**175**	**ICICI Bank Limited**	**Crisil A1/Watch Positive**

Annexure: List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-

15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for consolidation
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)
Criteria for factoring parent, group and government linkages

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations **Crisil Limited** M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com **Kartik Behl** Media Relations **Crisil Limited** M: +91 90043 33899 B: +91 22 6137 3000 **kartik.behl@crisil.com** **Divya Pillai** Media Relations **Crisil Limited** M: +91 86573 53090 B: +91 22 6137 3000 **divya.pillai1@ext-crisil.com**	Mohit Makhija Senior Director **Crisil Ratings Limited** D:+91 124 672 2197 mohit.makhija@crisil.com Shounak Chakravarty Director **Crisil Ratings Limited** D:+91 22 6137 3569 shounak.chakravarty@crisil.com Anagha Prabhakar Sawant Manager **Crisil Ratings Limited** B:+91 22 6137 3000 anagha.sawant@crisil.com **For Analytical queries** Toll Free Number: 1800 266 6550 ratingsinvestordesk@crisil.com	Timings: 10.00 am to 7.00 pm Toll Free Number: 1800 267 3850 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com

Note for Media:
This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to Crisil Ratings. However, Crisil Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)
Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

Crisil Ratings Limited ('Crisil Ratings') is a wholly-owned subsidiary of Crisil Limited ('Crisil'). Crisil Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About Crisil Limited

Crisil is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') provided by Crisil Ratings Limited ('Crisil Ratings'). For the avoidance of doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for use only within the jurisdiction of India. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as Crisil Ratings provision or intention to provide any services in jurisdictions where Crisil Ratings does not have the necessary licenses and/or registration to carry out its business activities. Access or use of this report does not create a client relationship between Crisil Ratings and the user.

The report is a statement of opinion as on the date it is expressed, and it is not intended to and does not constitute investment advice within meaning of any laws or regulations (including US laws and regulations). The report is not an offer to sell or an offer to purchase or subscribe to any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way.

Crisil Ratings' products / activities or ratings of instruments other than 'securities that are listed or proposed to be listed' may fall under the purview of financial sector regulators (FSRs) other than SEBI. In respect of such products / activities or ratings (under the purview of other FSRs such as Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA), Insurance Regulatory and Development Authority of India (IRDAI), among others), the grievance / dispute redressal and investor protection mechanisms available under SEBI regulations shall not be applicable.

A list of products/activities or ratings of instruments falling under the purview of various FSRs along with the names of respective FSRs has been duly disclosed by Crisil Ratings on its website. A link to the same has been provided below for ready reference:

https://www.crisilratings.com/en/home/our-business/ratings/regulatory-disclosures/list-of-activities-instruments-and-names-of-regulators.html

Crisil Ratings and its associates do not act as a fiduciary. The report is based on the information believed to be reliable as of the date it is published, Crisil Ratings does not perform an audit or undertake due diligence or independent verification of any information it receives and/or relies on for preparation of the report. THE REPORT IS PROVIDED ON “AS IS” BASIS. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, CRISIL RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE. In no event shall Crisil Ratings, its associates, third-party providers, as well as their directors, officers, shareholders, employees or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

The report is confidential information of Crisil Ratings and Crisil Ratings reserves all rights, titles and interest in the rating report. The report shall not be altered, disseminated, distributed, redistributed, licensed, sub-licensed, sold, assigned or published any content thereof or offer access to any third party without prior written consent of Crisil Ratings.

Crisil Ratings or its associates may have other commercial transactions with the entity to which the report pertains or its associates. Ratings are subject to revision or withdrawal at any time by Crisil Ratings. Crisil Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

Crisil Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For more detail, please refer to: https://www.crisilratings.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html. Public ratings and analysis by Crisil Ratings, as are required to be disclosed under the Securities and Exchange Board of India regulations (and other applicable regulations, if any), are made available on its websites, www.crisilratings.com and https://www.ratingsanalytica.com (free of charge). Crisil Ratings shall not have the obligation to update the information in the Crisil Ratings report following its publication although Crisil Ratings may disseminate its opinion and/or analysis. Reports with more detail and additional information may be available for subscription at a fee. Rating criteria by Crisil Ratings are available on the Crisil Ratings website, www.crisilratings.com. For the latest rating information on any company rated by Crisil Ratings, you may contact the Crisil Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 3850.

Crisil Ratings shall have no liability, whatsoever, with respect to any copies, modifications, derivative works, compilations or extractions of any part of this [report/ work products], by any person, including by use of any generative artificial intelligence or other artificial intelligence and machine learning models, algorithms, software, or other tools. Crisil Ratings takes no responsibility for such unauthorized copies, modifications, derivative works, compilations or extractions of its [report/ work products] and shall not be held liable for any errors, omissions of inaccuracies in such copies, modifications, derivative works, compilations or extractions. Such acts will also be in breach of Crisil Ratings’ intellectual property rights or contrary to the laws of India and Crisil Ratings shall have the right to take appropriate actions, including legal actions against any such breach.

Crisil Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on Crisil Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: **https://www.crisilratings.com/en/home/our-business/ratings/credit-ratings-scale.html**