



Press Release
STESALIT LIMITED
January 23, 2026
Rating Reaffirmed & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	79.17	ACUITE BBB+ Reaffirmed & Withdrawn	-
Bank Loan Ratings	15.00	-	ACUITE A2 Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	94.17	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and short-term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs.94.71 crore bank facilities of Stesalit Limited. The rating has been withdrawn on account of the request received from the issuer along with no objection certificate received from the bankers. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

Rationale for rating

The reaffirmation in the rating takes into account continued improvement in operating income, healthy financial risk profile and strong liquidity position. Group reported growth in revenue from operations by ~10.25% in FY2025 to Rs 431.00 crore as against Rs. 390.92 crore in FY2024. Group has achieved the operating income of Rs ~202.61 crore in 6MFY26. EBITDA of the group improved to Rs 54.49 crore in FY 25 from Rs 47.46 crore in FY 24. The rating also considers the group's strong liquidity position, which is reflected in its sufficient net cash accruals and healthy current ratio and healthy financial risk profile. However, the ratings are constrained by highly competitive industry.

About the Company

Himachal-based, Stesalit Limited (SL) was incorporated in 1981 is engaged in the manufacturing of products for Electric and Diesel Locomotives, Coaches, EMUs and Metro such as Transformers, Smoothing Reactors, Traction Motors, Coils, Alternator Mounted Rectifier, HVAC, Control Panels etc. Though the company is operational since 1981 it was taken over by new management in November, 2018 as it was under a resolution plan in National Company Law Tribunal (NCLT). Currently company is managed by REPL's Management. Company is being managed by professional directors such as Mr. Rajat Kumar Sharma and Rajeev Kumar Singhal.

About the Group

Uttar Pradesh based River Engineering Private Limited (REPL), was incorporated in 2007, by Mr. A.K. Agarwal and Mrs. Neera Agarwal. The company is engaged in manufacturing of highend precision engineering assemblies, components and magnetic parts like tap changers, gear case, dampers, jumpers, couplers and aircraft components among others. The company has its manufacturing units located in Greater Noida. REPL caters to Indian Railways and Metro,

Aerospace and Defence sector.
REPL and SL together referred as River Group.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has considered consolidated approach of the business and financial risk profile of REPL and SL. Consolidation is on account of common management, business and financial linkages.

Key Rating Drivers

Strengths

Experienced Management and established market positions

River Group is promoted and managed by Mr. A.K. Agarwal and Mrs. Neera Agarwal, who have around three decades of experience in the engineering industry and they have been associated with the company since its inception. This has helped the group to establish a strong market position and maintain long-standing relations with its customers and customers.

Improvement in Revenue and Profitability

River Group's operation witnessed improvement which is apparent from growth in revenue from operations by ~10.25% in FY2025 to Rs. 431.00 Cr. as against Rs. 390.92 crore for FY2024. The operating profit margin of the group stood at 12.64% in FY2025 as against 12.14% in FY2024 due to increase in demand in railway sector. Net Profit margin of the group stood at 8.07% in FY2025 as against 7.05 percent in FY2024. Group has achieved the operating income of Rs ~202.61 crore in 6MFY26.

Healthy Financial Risk Profile

Group has healthy financial risk profile marked by healthy net worth, gearing and debt protection metrics. Tangible net worth in FY 2025 stood at Rs. 153.17 Cr. as against Rs. 117.91 Cr. in FY 2024. Total debt of Rs. 118.40 Cr. in FY 2025. Gearing has remained healthy at 0.77 times in FY25 as against 0.95 times in FY24. Interest coverage ratio remained comfortable at 4.61 times in FY25 against 4.42 times in FY24. Likewise, DSCR also remained comfortable at 2.67 times in FY25 against 2.70 times in FY24. DEBT EBITDA position of the company has seen improved to 2.04 times in FY25 from 2.25 times in FY24.

Weaknesses

Working Capital Operations

Group has high working capital requirements as evident from gross current assets (GCA) of 254 days in FY2025 as compared to 232 days in FY2024. Intensiveness of Working capital is on account of High Inventory and Receivable Days. Debtor days stood at 143 days in FY2025 as against 147 days in FY2024. Inventory days stood at 108 days in FY 25 against 80 days in FY24. Debtor days are appearing high on year end as group reports higher operating income in last quarter of financial year. Higher revenue in last quarter resulted in higher debtor days. Although during 9M in any FY, the GCA cycle appears lower than year end, however, the dependence on the bank borrowings continues to remain high during that period. Whereas, creditor days stood at from 132 days in FY 2025 against 112 days in FY 2024.

Operations in highly competitive industry

The group is engaged in engineering business and the particular sector is marked by the presence of several mid to big size players. The firm faces intense competition from the other players in the sectors. Risk becomes more pronounced as tendering is based on a minimum amount of bidding of contracts and hence the firm has to make a bid for such tenders on competitive prices; which may affect the profitability of the firm. However, this risk is mitigated to an extent as the promoters are operating in this industry for years.

Rating Sensitivities

Not Applicable

Liquidity Position

Strong

Group has strong liquidity marked by net cash accruals against to maturing debt obligations, current ratio, cash and bank balance. Group generated net cash accruals of Rs. 40.86 crore for FY2025 as against debt repayment obligations of Rs. 7.44 crores for the same period.

Current Ratio stood at 1.41 times as on 31 March 2025 as against 1.33 times as on 31st March 2024. Fund based working capital limits are utilized at ~ 71.88% and non- fund based working capital limits are utilized at ~ 25.18% during the last nine months ended Dec 25 accordingly group has cushion available in working capital limits to meet the contingencies. Cash and Bank Balances of group stood at Rs 0.99 crore as on 31st March 2025.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	431.00	390.92
PAT	Rs. Cr.	34.80	27.57
PAT Margin	(%)	8.07	7.05
Total Debt/Tangible Net Worth	Times	0.77	0.95
PBDIT/Interest	Times	4.61	4.42

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
16 Jan 2025	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	48.34	ACUITE BBB+ Positive (Reaffirmed)
	Covid Emergency Line.	Long Term	3.07	ACUITE BBB+ Positive (Reaffirmed)
	Term Loan	Long Term	3.60	ACUITE BBB+ Positive (Reaffirmed)
	Cash Credit	Long Term	16.66	ACUITE BBB+ Positive (Assigned)
	Term Loan	Long Term	7.50	ACUITE BBB+ Positive (Assigned)
14 Mar 2024	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A2 (Upgraded from ACUITE A3)
	Stand By Line of Credit	Short Term	3.00	ACUITE A2 (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	10.00	ACUITE A2 (Assigned)
	Cash Credit	Long Term	42.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB- Stable)
	Covid Emergency Line.	Long Term	4.03	ACUITE BBB+ Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	5.00	ACUITE BBB+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.98	ACUITE BBB+ Stable (Upgraded from ACUITE BBB- Stable)
24 Feb 2023	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Stand By Line of Credit	Short Term	3.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	35.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	5.01	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A2 Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	65.00	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2027	3.07	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
State Bank of India	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 & Withdrawn
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Sep 2028	3.60	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2030	7.50	Simple	ACUITE BBB+ Reaffirmed & Withdrawn

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

Sr. No.	Company name
1	River Engineering Private Limited
2	Stesalit Limited

Contacts

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About Acuité Ratings & Research

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