Press Release
RIMJHIM ISPAT LIMITED
August 13, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	966.00	ACUITE A | Stable | Assigned	-
Bank Loan Ratings	875.00	-	ACUITE A1 | Assigned
Total Outstanding Quantum (Rs. Cr)	1841.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned its long-term rating of '**ACUITE A' (read as ACUITE A)**and short-term rating of **'ACUITE A1' (read as ACUITE A one)** on the Rs.1841.00 crore bank facilities of Rimjhim Ispat Limited (RIL). The outlook is **'Stable'**.

Rationale for rating

The assignment rating reflects established track record of operations for more than three decades and steady scale of operations as the company has sold higher volumes despite moderation of average price realization in FY25 (prov.) compared to FY24. The rating gets additional comfort with healthy financial risk profile and adequate liquidity profile of the group. However the rating remains constrained on account of intensive working capital operations and susceptibility in profitability due to volatility in raw material prices.

About the Company

Uttar Pradesh based, RIL was incorporated in 1991 as 'Vandana Casting Private Limited' and later in 1994 the company name and the constitution was changed to "Rimjhim Ispat Limited". The company is engaged in the manufacturing of stainless steel billets, stainless steel slabs, round bright bars, wire rods, fine wires, HR & CR Coil.

About the Group

Rimjhim Group (RG) comprises of three companies, namely, Rimjhim Ispat Limited, Juhi Alloys Private Limited and Rimjhim Stainless Limited. The group is promoted by the Agarwal family viz Mr. Yogesh Agarwal and Mr, Sanjeev Kumar Agarwal along with Mr. Rajeev Kumar Goel. The group produces a wide range of products which are used in numerous industries including construction, automotive, appliances, industrial machinery and oil & gas industries among others. The group has a strong presence in domestic market of over three decades along with geographical diversification of customers in states likes Delhi, Uttar Pradesh, Gujrat, Rajasthan and Maharashtra. Also in FY 2022 the group had acquired BRG Iron and Steel Co. Pvt. Ltd. (BRG), an Orissa based entity involved in manufacturing of sponge iron, stainless steel slabs, stainless steel hot rolled coils/plates and stainless steel cold rolled coils. BRG now stands merged with Rimjhim Ispat Limited since December 2023 with appointed date as 31 March 2022.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated the financial and business risk profile of Rimjhim Ispat Limited (RIL), Rimjhim Stainless

Limited (RSL) and Juhi Alloys Private Limited (JAPL) together referred to as the 'Rimjhim Group' (RG). The consolidation is in view of the common ownership, cross corporate guarantees extended by the group companies for bank facilities and strong operational and financial linkages within the group.

Key Rating Drivers

Strengths

Established track record of operations with experienced management

The Rimjhim Group commenced its operations in 1990 under the leadership of Agarwal family and thus the group has a long track record of operations of more than three decades in the steel industry. Currently, the day-to-day operations of the group are managed by Mr. Yogesh Agarwal, Mr. Sanjeev Agarwal and Mr. Rajeev Goel along with other industry veterans with an experience of over three decades in the aforementioned industry and is well supported by second line of experienced management team. The established presence along with experienced management has helped the group to maintain long and healthy relationship with its customers and suppliers. The group has benefitted by its established position in the market along with experienced management which is further exemplified by many awards won by them some of them being, 2-Star (3 star) Export House by Directorate General of Foreign Trade, Acuité believes Rimjhim group will continue to benefit from its long track of operations, strong presence of the group in domestic market and the rich experience of the management over the medium term.

Scale of operations and Profitability

The group has reported the revenue of Rs. 4884.05 Cr. in FY25 (prov.) against Rs. 5204.36 Crore in FY24. The decline in revenue is on the account of lower average price realization. However, the group has sold more volume units in FY 25 against FY 24. The EBITDA margin has improved t0 9.47% in FY 2025 (prov.) from 8.46% in FY 2024. Similarly, net margin improved to 3.67% in FY 2025 (prov.) from 2.43% in FY 2024.

Healthy Financial Risk Profile

The group has healthy financial risk profile marked by healthy net worth, gearing and debt protection metrics. Tangible net worth in FY 2025 (prov.) stood at Rs. 2356.76 Cr. as against Rs. 2180.81 Cr. in FY 2024 mainly due to accretion of profits into reserves. The gearing ratio of the group remained healthy at 0.58 times in FY25 (prov.) as against 0.60 times in FY24. Interest coverage ratio remained comfortable at 3.45 times in FY25 (prov.) vis-àvis 2.86 times in FY24. Likewise, DSCR also remained comfortable at 1.87 times in FY25 (prov.) vis-à-vis 2.04 times in FY24. DEBT-EBITDA position of the company has improved to 2.83 times in FY25 (prov.) from 2.93 times in FY24. Acuite believes that financial risk profile of the group will remain healthy in near to medium term on the account of steady accruals.

Weaknesses

Working Capital Operations

The group’s working capital operation is intensive marked by GCA days of 181 days in FY 2025 (prov.) against 156 days in FY 24. GCA days are marked by high inventory, moderate debtors and high current assets. Inventory period has increased to 134 days in FY 2025 (prov.) from 112 days in FY 2024. Debtor realization period was at similar level to 38 days in FY 2025 (prov.) from 32 days in FY 2024. Creditor days has increased to 87 days in FY 2025 (prov.) from 60 days in FY 2024. Acuite believes that working capital operations of the group will remain intensive in near to medium term on the account of nature of operations.

Susceptible to volatility in raw material prices in the distribution segment, with cyclical nature of the industry

The group faces significant exposure to volatile raw material prices and the cyclical nature of its industry. As the distribution segment forms a large part of its business, and the risk of inventory rests solely with the company, fluctuations in the prices of key raw materials like stainless steel scrap, nickel, and ferrochrome ore directly impact profitability. Due to market conditions and existing sales contracts, the company may not always be able to immediately pass on these price changes to customers. This delay in adjusting prices creates inventory risk, further affecting the company's financial performance.

ESG Factors Relevant for Rating

The group is committed to a sustainable and responsible business model, integrating Environmental, Social, and Governance (ESG) principles into its core operations. Their approach is centered on creating value for all stakeholders while minimizing our ecological footprint and contributing positively to society. They recognize the inherent environmental impact of the steel industry and are dedicated to mitigating it through innovation and efficiency. A key part of our strategy involves the use of recycled steel scrap as a primary raw material, a practice that significantly reduces energy consumption and greenhouse gas emissions compared to traditional iron ore-based steel production. Their social responsibility extends to our employees, local communities, and the broader society. The group prioritize the well-being and safety of our workforce, providing regular training and maintaining high standards of workplace health and safety. Corporate social responsibility (CSR) initiatives focus on addressing critical social needs, including education, healthcare, sanitation, and infrastructure development, as guided by our CSR policy. The group upholds the highest standards of corporate governance, ensuring transparency, ethical conduct, and accountability. Their governance framework is designed to protect stakeholder interests and drive sustainable growth.

Rating Sensitivities

- Movement in scale of operation while improving the profitability position
- Movement in working capital operations
- Timely execution of the Capex

Liquidity Position

Adequate

The group has adequate liquidity marked by generated net cash accruals of Rs. 280.91 Cr against maturing debt obligation of Rs. 85.01 Cr. The average bank limit utilization of fund-based facilities on a consolidated level for nine months ended June 2025 stood at 52.95%. Group has unencumbered cash and bank position of Rs. 32.43 Cr. in FY 2025 (prov.). The current ratio stood at 1.43 times in FY25 (prov.). Acuite believes that the liquidity position of the group will remain adequate in near to medium term on the account of steady accruals.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	4884.05	5204.36
PAT	Rs. Cr.	179.07	126.24
PAT Margin	(%)	3.67	2.43
Total Debt/Tangible Net Worth	Times	0.58	0.60
PBDIT/Interest	Times	3.45	2.86

Status of non-cooperation with previous CRA (if applicable)
None

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
05 Apr 2024	Cash Credit	Long Term	31.50	ACUITE A (Reaffirmed & Withdrawn)
	Cash Credit	Long Term	173.50	ACUITE A (Reaffirmed & Withdrawn)
	Cash Credit	Long Term	70.00	ACUITE A (Reaffirmed & Withdrawn)
	Letter of Credit	Short Term	28.00	ACUITE A1 (Reaffirmed & Withdrawn)
	Letter of Credit	Short Term	112.00	ACUITE A1 (Reaffirmed & Withdrawn)
	Letter of Credit	Short Term	40.00	ACUITE A1 (Reaffirmed & Withdrawn)
	Working Capital Demand Loan (WCDL)	Short Term	25.00	ACUITE Not Applicable (Withdrawn)
	Letter of Credit	Short Term	30.00	ACUITE Not Applicable (Withdrawn)
06 Jan 2023	Cash Credit	Long Term	31.50	ACUITE A | Stable (Reaffirmed)
	Cash Credit	Long Term	173.50	ACUITE A | Stable (Reaffirmed)
	Cash Credit	Long Term	70.00	ACUITE A | Stable (Reaffirmed)
	Letter of Credit	Short Term	28.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	112.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	40.00	ACUITE A1 (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Short Term	25.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	30.00	ACUITE A1 (Reaffirmed)

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.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	230.00	Simple	ACUITE A | Stable | Assigned
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	175.00	Simple	ACUITE A | Stable | Assigned
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A | Stable | Assigned
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	110.00	Simple	ACUITE A | Stable | Assigned
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	120.00	Simple	ACUITE A1 | Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	90.00	Simple	ACUITE A1 | Assigned
Indian Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	205.00	Simple	ACUITE A1 | Assigned
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	275.00	Simple	ACUITE A1 | Assigned
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	110.00	Simple	ACUITE A1 | Assigned
Punjab National Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	75.00	Simple	ACUITE A1 | Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.16	Simple	ACUITE A | Stable | Assigned
Punjab National Bank	Not avl. / Not appl.	Term Loan	28 Feb 2022	Not avl. / Not appl.	31 Mar 2028	20.59	Simple	ACUITE A | Stable | Assigned
Indian Bank	Not avl. / Not appl.	Term Loan	24 Jun 2022	Not avl. / Not appl.	15 Jun 2029	78.44	Simple	ACUITE A | Stable | Assigned
Indian Bank	Not avl. / Not appl.	Term Loan	15 Nov 2021	Not avl. / Not appl.	15 Mar 2028	23.50	Simple	ACUITE A | Stable | Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Term Loan	27 Jun 2022	Not avl. / Not appl.	30 Jun 2029	85.67	Simple	ACUITE A | Stable | Assigned
State Bank of India	Not avl. / Not appl.	Term Loan	07 Jul 2022	Not avl. / Not appl.	01 Jun 2029	81.22	Simple	ACUITE A | Stable | Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	17 Oct 2023	Not avl. / Not appl.	31 Jan 2030	39.58	Simple	ACUITE A | Stable | Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	12 Jan 2024	Not avl. / Not appl.	31 Dec 2030	36.84	Simple	ACUITE A | Stable | Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A | Stable | Assigned

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

Sr. No.	Company name
1	Rimjhim Ispat Limited

2	Juhi Alloys Private Limited
3	Rimjhim Stainless Limited

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