



Press Release
RIMJHIM STAINLESS LIMITED
August 18, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	525.00	ACUITE A Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	525.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of ‘**ACUITE A**’ (read as **ACUITE A**) on the Rs. 525.00 Cr. bank facilities of Rimjhim Stainless Limited (RSL). The outlook remains ‘**Stable**’.

Rationale for rating

The reaffirmed 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 realisation 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, RSL was incorporated in 2002 and is engaged in the processing of stainless steel products, mild steel wire rods, structures, hot rolled coil, cold rolled coil etc. The manufacturing facilities of the company are located in Unnao district of Uttar Pradesh. The total installed capacity of the company is 367000 metric tons per annum.

About the Group

Rimjhim Group (RG) comprises of three companies, engaged in manufacturing of stainless steel products, 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, Maharashtra, Haryana, West Bengal, Kerala, Andhra Pradesh, Tamil Naidu, etc. 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

Acuite 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, Acuite 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.

Improving 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 to 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-à-vis 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 day 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 prioritizes 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 1.47 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)

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. Acuité'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	
07 Aug 2025	Cash Credit	Long Term	37.50	ACUITE A	Stable (Reaffirmed)
	Cash Credit	Long Term	37.50	ACUITE A	Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.25	ACUITE A	Stable (Reaffirmed)
	Term Loan	Long Term	325.00	ACUITE A	Stable (Reaffirmed)
	Term Loan	Long Term	118.75	ACUITE A	Stable (Reaffirmed)
24 Dec 2024	Term Loan	Long Term	118.75	ACUITE A	Stable (Assigned)
	Cash Credit	Long Term	37.50	ACUITE A	Stable (Reaffirmed)
	Term Loan	Long Term	325.00	ACUITE A	Stable (Assigned)
	Cash Credit	Long Term	37.50	ACUITE A	Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.25	ACUITE A	Stable (Assigned)
10 May 2024	Cash Credit	Long Term	18.38	ACUITE A	Stable (Reaffirmed)
	Cash Credit	Long Term	19.12	ACUITE A	Stable (Assigned)
	Cash Credit	Long Term	19.13	ACUITE A	Stable (Assigned)
	Cash Credit	Long Term	18.37	ACUITE A	Stable (Reaffirmed)
05 Apr 2024	Cash Credit	Long Term	18.37	ACUITE A	Stable (Reaffirmed)
	Cash Credit	Long Term	9.19	ACUITE A	Stable (Reaffirmed)
	Cash Credit	Long Term	9.19	ACUITE A	Stable (Reaffirmed)
06 Jan 2023	Cash Credit	Long Term	9.19	ACUITE A	Stable (Reaffirmed)
	Cash Credit	Long Term	18.37	ACUITE A	Stable (Reaffirmed)
	Cash Credit	Long Term	9.19	ACUITE A	Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	37.50	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.	37.50	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.	6.25	Simple	ACUITE A Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2027	118.75	Simple	ACUITE A Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 May 2033	325.00	Simple	ACUITE A Stable Reaffirmed

*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

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Kartik Arora Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.