



Press Release
RUNGTA METALS PRIVATE LIMITED
November 20, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	70.00	-	ACUITE A4+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	70.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on Rs. 70.00 Cr. bank facilities of Rungta Metals Private Limited.

Rationale for Reaffirmation

Acuite derives benefit for the RCR Group (RCR Steel Works Private Limited and Rungta Metals Private Limited) from being part of Rungta group given its high significance to the future growth plans of the group in terms of coal linkages. The rating also factors the healthy financial flexibility of the promoter group entities to lend need-based support to the group for the project costs. However, these strengths are partly offset by the group's exposure to implementation risks.

About the Company

Incorporated in 2021, Rungta Metals Private Limited (RMPL) is based in Delhi. The company have been allocated coal reserve in Choritand Tilaiya in the district of Bokaro, Hazaribagh, in the state of Jharkhand. The total area of the coal block is 2.9973 sq. km. Total Coal Reserves is 97.035 MT. The targeted capacity for mining is 0.78 MT per Year. The period of mine lease is of 30 years. In that respect the Rungta Group is in the process of developing coal mines to be used for captive consumption. Mr. Alok Rungta, Mr. Abhishek Rungta & Mr. Anil Kumar Pathak are the directors of the company.

About the Group

RCR Steel Works Private Limited (RSWPL) was incorporated in 2022, in Jharkhand. The company have been allocated a coal reserve in Patal East (Eastern Part), in the district of Ranchi and Hazaribagh, in the state of Jharkhand. The total area of the block is 3.1617 sq. km. The mine has a total Coal Reserves of 64.478 MT. The targeted capacity for mining is 0.30 MT per year. The mine is expected to be used for captive consumption of Rungta group, going forward in the form of backward integration. Mr. Alok Rungta & Mr. Ashish Rungta are the directors of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has consolidated Rungta Metals Private Limited and RCR Steel Works Private Limited as these two companies are in same line of business and share common management. Acuite has also factored strong financial benefits derived from being part of Rungta group.

Key Rating Drivers

Strengths

Linkages and benefits derived from Rungta Group

Rungta Group is engaged in manufacturing of sponge iron and billet that continues to remain the main source of earning. Coal is one of the major raw materials to produce sponge iron. The Rungta Group has acquired Araanya Mines Private Limited (AMPL) which will also become operational. Further the group has also acquired two more coal blocks i.e. RSWPL and RMPL. Once these mines are operational, the group will be benefited significantly from the easy and assured availability of coal which will result in overall improvement in business risk profile and profitability in terms of low-cost acquisition of raw materials. At the same time, it also ensures uninterrupted supply of the key raw materials. With these three acquisitions, the group will be able to meet 100% of the coal requirements inhouse.

Weaknesses

Inherent project implementation risks

RCR group's mines are currently under development stage which exposes it to execution risk including time and cost overrun risk. Also, there are a few clearances and approvals pending in the project at present. However, the risk is mitigated to an extent by the execution track record of the group. The commercial operations are likely to begin from H2FY2028.

Project stabilisation risk

As the mines are under implementation stage, the track record of profitable operations is yet to be established. The Group's ability to achieve healthy capacity utilisation and generate healthy cash accruals will be important for its credit profile.

Moderate Financial Risk Profile

The group's capital structure is expected to remain moderate marked by moderate net worth and gearing below unity over the medium term. The adjusted tangible net worth of the group improved to Rs.157.25 Cr. in FY2025(Provisional) as compared to Rs. 40.68 Cr. in FY2024 on account of infusion of quasi equity capital of Rs. 116.46 Cr. in the form of USL which have been subordinated to the bank loans. The gearing is 0.08 times in FY2025 (Provisional) as against 0.56 times in FY24. The project is funded through promoters' contribution of Rs. 129.50 Cr. in FY25 (Provisional). The promoters will infuse any incremental funding requirement on need basis. Acuite believes that going forward the financial risk profile of the group is expected to be moderate due to subordination of unsecured loans from the promoter to bank facilities availed by the group.

Rating Sensitivities

Timely completion of the project
Timely stabilisation of operations

Liquidity Position

Adequate

The group has adequate liquidity as reflected from financial flexibility of promoters to infuse

funds in the project and bringing in unsecured loans in the business from time-to-time. Furthermore, the net cash accruals are expected be low over the near term. The non-fund-based limit (consolidated) was utilized at 83.42% for the six-months ended September 2025.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	0.11	0.08
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	0.08	0.56
PBDIT/Interest	Times	1.48	1.13

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
03 Oct 2024	Bank Guarantee (BLR)	Short Term	48.43	ACUITE A4+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	21.57	ACUITE A4+ (Reaffirmed)
11 Jul 2023	Bank Guarantee (BLR)	Short Term	66.43	ACUITE A4+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	3.57	ACUITE A4+ (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.	48.43	Simple	ACUITE A4+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	21.57	Simple	ACUITE A4+ Reaffirmed

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

Sr No.	Company Name
1	RCR STEEL WORKS PRIVATE LIMITED
2	RUNGTA METALS PRIVATE LIMITED

Contacts

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About Acuité Ratings & Research

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