

February 26, 2026

Raajratna Metal Industries Limited: Long-term rating upgraded; short-term rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term/Short term – Fund-based – PC/PCFC/FBD/FBN/PSCFC	310.00	310.00	[ICRA]AA (Stable) /[ICRA]A1+; long-term rating upgraded from [ICRA]AA-(Stable) and short-term rating reaffirmed
Short-term – Non-fund based limits	40.00	40.00	[ICRA]A1+; reaffirmed
Short-term interchangeable – Non-fund based limits	(30.00)	(30.00)	[ICRA]A1+; reaffirmed
Total	350.00	350.00	

*Instrument details are provided in Annexure I

Rationale

The rating revision considers Raajratna Metal Industries Limited’s (RMIL) comfortable financial risk profile, supported by robust earnings, favourable exports growth prospects and strong liquidity. The company has maintained healthy operating performance in FY2025 and 9M FY2026, driven by a rising share of value-added, high-precision products, a trend expected to sustain over the near-to medium term. RMIL continues to demonstrate stable margins, translating into strong coverage indicators and conservative leverage, with credit metrics anticipated to remain healthy, given its limited capital expenditure (capex) plans. The company continued to be net debt-free, supported by a sizeable cash and bank balance as on December 31, 2025, and low utilisation of sanctioned fund-based limits. Looking ahead, RMIL is expected to deliver a healthy performance in FY2026 and FY2027, supported by a higher share of value-added products, improving operating efficiency and continued momentum in export demand.

The ratings further factor in the extensive experience of the promoters, RMIL’s four-decade-long track record in the stainless-steel (SS) industry and its established relationships with a geographically diversified customer base spanning more than 60 countries. The company’s demonstrated technical expertise in manufacturing high-precision, value-added SS wires and speciality products for critical end-use segments remains a key competitive strength. ICRA also notes the stable performance of Real Strips Limited, which, following its merger with RMIL, has enhanced scale, improved product diversification and strengthened the consolidated operating profile.

However, the ratings remain constrained by the vulnerability of RMIL’s revenues and earnings to any slowdown in the end-user industries, volatility in raw-material prices and intense competition in key export markets such as the US and EU. With exports forming a major portion of the revenue, the company is still exposed to changes in global trade policies and regulatory environments. Further RMIL’s working capital intensity remains elevated due to extended credit terms and high inventory levels, although its strong liquidity buffer—comprising large unutilised working-capital lines and significant cash balances—provides comfort.

The Stable outlook on the long-term rating considers a sustained healthy financial performance in the medium term, driven by a higher mix of value-added products and better operating efficiency.

Key rating drivers and their description

Credit strengths

Healthy credit metrics, which are expected to sustain in the medium term - The company remains net debt-free, with only limited working capital borrowings. Coverage indicators are strong on the back of sustained operating margins and low finance costs. RMIL's steady shift from commodity-grade SS wires to high-precision, value-added products (medical, nickel-alloy, titanium and super-fine gauges) has supported improved realisations and margin resilience through cycles. The company's ability to pass on raw material price fluctuations to customers led to consistent operating margins, which remained in the range of ~15-17% in the last 2-3 years. RMIL is expected to deliver a healthy performance in FY2026 and FY2027, supported by a higher share of value-added products, improving operating efficiency and continued momentum in export demand. The operating margin is anticipated to remain healthy at 17-18%, along with conservative capital structure and robust debt coverage indicators in the medium term.

Favourable exports growth prospects - Order pipelines in key overseas markets, product approvals in medical and high-spec applications and incremental penetration in newer geographies support healthy export growth prospects over the medium term, supporting scale and operating margins.

Established business relationships with customers and high geographical diversification with clients spread across ~60 countries - The company has a diversified customer base spread across ~60 countries, with its top 10 external clients generating ~18% of the sales in FY2025. Additionally, RMIL's marketing efforts draw support from its marketing arms in the US and Italy. As the company sells its products directly through its marketing representatives in its target markets without any traders or merchant exporters in between, it enjoys established business relationships with its customers, translating into repeat orders. As RMIL carries out all the sales negotiations directly, it is able to manage the pricing and quality better, leading to healthy margins.

Technical expertise to manufacture high-precision products and high value-added steel wires with application in diversified end-user industries - RMIL manufactures SS-based wires of various grades, compositions and specifications that are used for manufacturing various products such as kitchenware, springs, chains, nails, balls, filters, wire mesh, surgical needles and surgical equipment. Its product mix also includes SS bright bars, fine wires, nickel wires and SS rebars. The product mix is dominated by SS wires, which drove 90-92% of the total sales, followed by bright bars over recent years.

Extensive experience of promoters and established track record of RMIL in SS industry - RMIL is promoted by Mr. Babulal Sanghvi and Mr. Arvind Sanghvi. The promoters, with their extensive experience of more than 45 years in the steel industry, established RMIL in 1988. It also has four wholly owned subsidiaries —US-based Raajratna Stainless Wire Inc. (RSW), Raajratna Italy Srl (RIS) (erstwhile Erre Inox Srl) based in Italy, PT Raajratna Wire (PTRW), Indonesia and Raajratna Germany GmbH (RGG), Germany. While RSW, RGG and RIS are the marketing arms of the company, PTRW manufactures SS wires in Batam, Indonesia.

Credit challenges

High working capital intensity - Owing to the established business relationships with customers and competition, the company extends a credit period of up to 30-90 days. Although it maintains limited finished goods inventory as the production is largely order-backed, it maintains raw material inventory to mainly ensure timely completion of the orders. This results in a high working capital intensity of 40-45%. Nonetheless, RMIL is able to fund the same via internal cash accruals and a healthy liquidity position.

Profitability exposed to fluctuations in metal prices and foreign exchange - RMIL's profitability is exposed to fluctuations in raw material prices, which form a significant percentage of the average selling price. Nickel forms 8-20% of SS in terms of weight (depending on the grade of the product) but forms up to 70-75% of the total cost in terms of value, exposing the profitability to fluctuations in nickel prices. The company, however, has a policy of purchasing raw materials against customer orders and the prices are quoted as per prevalent metal prices, insulating its profitability against price volatility, to a large extent. Further, as a predominantly export player, RMIL's operations remain exposed to fluctuations in foreign currency rates. However, the company has a defined hedging mechanism to reduce the risk, and its imports account for a significant portion of the total raw material purchases and there continues to be some degree of natural hedge.

Operations exposed to cyclicity in SS industry and competition in export markets - Indian SS wire manufacturers and exporters, such as RMIL, face stiff competition from Chinese, Taiwanese and Korean exporters in key markets like the EU and the US. In addition, the operations remain exposed to the cyclicity faced by the downstream users of its products. Owing to the economies of scale, Chinese and Korean manufacturers dominate the markets in certain product segments, but Indian manufacturers enjoy a competitive advantage due to their consistent compliance with quality specifications, higher quality

and better after-sales services for specialised and high-precision products.

Indirect support to foreign subsidiary and other Group entities - ICRA notes that RMIL has provided a corporate guarantee towards debt of its subsidiary in Indonesia and Germany and also towards the debt raised in some other Group entities based in India. While no major cash outflow is expected to support these entities in the near term, it remains monitorable.

Liquidity position: Strong

The liquidity position of the company is strong, reflected in low utilisation of the sanctioned fund-based limits, large free cash and fixed deposit (FD) balance as on December 31, 2025 on a standalone basis, limited capex plans and negligible repayment obligations at the consolidated level. Healthy operating profitability and a rising share of value-added products support stable operating cash flows.

Rating sensitivities

Positive Factors – The ratings could be upgraded if the company demonstrates a significant improvement in its scale of operations and profitability, while continuing to maintain its strong capital structure, robust coverage indicators and healthy liquidity position.

Negative Factors – Pressure on RMIL’s ratings may arise in case of a significant decline in its revenue and profitability, or in case of any large debt-funded capex or significant cash outflow towards related parties/inorganic growth. Specific credit metrics that could result in a rating downgrade include total debt/OPBDITA above 1.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	The ratings are based on the consolidated financial profile of the entity, including the companies enlisted in Annexure II

About the company

Raajratna Metal Industries Limited (RMIL) was incorporated in May 1988 under the name of Raajratna Chemicals Private Limited and was renamed as Raajratna Metal Industries Private Limited in 1989 with focus towards steel drawing and manufacturing operations. The company was subsequently converted to a closely held limited company in 1994 under the name of Raajratna Metal Industries Limited (RMIL). It manufactures SS-based products, such as wires of various grades, compositions and specifications which are used for manufacturing a wide range of products such as kitchenware, springs, chains, nails, balls, filters, wire mesh and surgical needles and implants, with applications in diverse fields such as automotives, power plants, aviation, electricals and medicine.

The company also manufactures SS Wires, SS bright bars, fine wires, nickel wires and SS rebars. The SS wires are classified into thicker wires (from 25mm to 2mm), medium wires (2mm to 0.8 mm), fine wires (0.8 mm to 0.3mm) and super fine wires (below 0.3 mm). Wires of different thickness are used for manufacturing springs, welding rod, rods, staples, chains, mesh, fasteners, etc. and in many more industries. The company’s SS wires are used in over 40 ancillary industries as a raw material.

RMIL has three manufacturing units, two located at Kalol in the Gandhinagar district of Gujarat, with a combined installed manufacturing capacity of 51,600 MTPA and third unit is located in Ahmedabad manufacturing Stainless steel Sheets and coils,

having installed capacity of 48,000 MTPA. (Third unit was erstwhile Real Strips Ltd., merged into RMIL w.e.f. 01.04.2021 as per NCLT order). RMIL is predominantly an export-oriented player, with more than ~60% of sales carried out in over 60 overseas markets with the US and the EU being the major customers.

Key financial indicators (audited)

RMIL	Standalone		Consolidated*	
	FY2024	FY2025	FY2024	FY2025
Operating income (OI)	1,313.4	1,354.2	1,579.7	1,552.8
PAT	138.0	162.8	185.2	198.8
OPBDIT/OI	13.8%	16.3%	14.9%	17.3%
PAT/OI	10.5%	12.0%	11.7%	12.8%
Total outside liabilities/Tangible net worth (times)	0.1	0.2	0.1	0.2
Total debt/OPBDIT (times)	0.1	0.2	0.1	0.2
Interest coverage (times)	75.8	65.8	55.7	59.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

*Consolidated financials do not include financials of 3 companies where RMIL has provided the corporate guarantee as enlisted in Annexure II because the company does not separately report the consolidated audited financials, including the 3 entities. However, the same has been considered while analysing the credit profile of RMIL

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current (FY2025)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Feb 26, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – PC/PCFC/FBD/FBN/PSCFC	Short term	-	-	-	-	-	-	Nov 29, 2022	[ICRA]A1+
Fund-based – PC/PCFC/FBD/FBN/PSCFC	Long term/ Short term	310.00	[ICRA]AA (Stable)/ [ICRA]A1+	Feb 18, 2025	[ICRA]AA- (Stable)/ [ICRA]A1+	Dec 7, 2023	[ICRA]AA- (Stable)/ [ICRA]A1+	-	-
Non-fund based limits	Short term	40.00	[ICRA]A1+	Feb 18, 2025	[ICRA]A1+	Dec 7, 2023	[ICRA]A1+	Nov 29, 2022	[ICRA]A1+
Interchangeable – Non-fund based limits	Short term	(30.00)	[ICRA]A1+	Feb 18, 2025	[ICRA]A1+	Dec 7, 2023	[ICRA]A1+	Nov 29, 2022	[ICRA]A1+
Unallocated limits	Long term/ Short term	-	-	-	-	-	-	Nov 29, 2022	[ICRA]AA- (Stable)/ [ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term – Fund-based – PC/PCFC/FBD/FBN/PSCFC	Simple
Short term – Non-fund based limits	Simple
Short term interchangeable - Non-fund based limits	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	PC/PCFC/FBD/FBN/PSCFC	NA	NA	NA	310.00	[ICRA]AA (Stable)/[ICRA]A1+
NA	Non-fund based limits	NA	NA	NA	40.00	[ICRA]A1+
NA	Interchangeable – Non-fund based limits				(30.00)	[ICRA]A1+

Source: Company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership*	Consolidation approach
Raajratna Italy Srl (Italy) (erstwhile Erre Inox Srl (Italy))	100.00%	Full consolidation
PT Raajratna Wire (Indonesia)	99.07%	Full consolidation
Raajratna Stainless Wire (USA) Inc.	100.00%	Full consolidation
Raajratna Stainless Pvt Ltd^		Full consolidation
Renox Wiremesh Pvt Ltd^		Full consolidation
Raajratna Wire rope Pvt Ltd^		Full consolidation

Source: Company, *Ownership as on 31st March 2025; ^consolidated owing to corporate guarantee provided by RMIL

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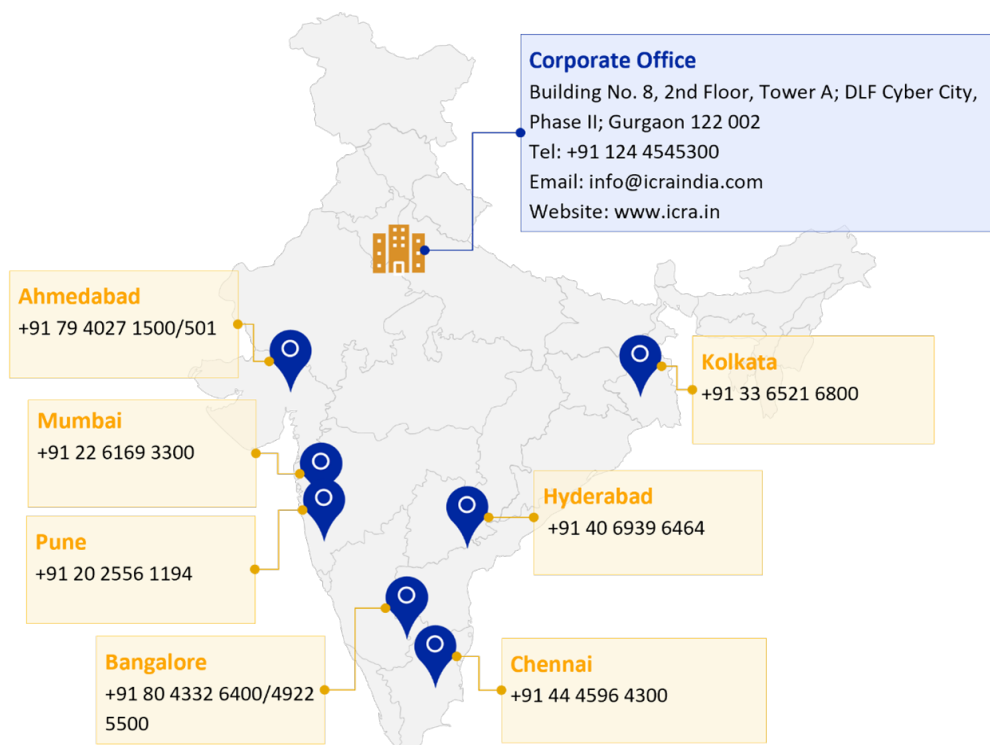


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