

July 03, 2026

Rinac India Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based - Cash credit	10.00	10.00	[ICRA]BBB+ (Stable); reaffirmed
Long term – Fund based - Term loan	37.50	37.50	[ICRA]BBB+ (Stable); reaffirmed
Short term - Non-fund based - Others	72.50	72.50	[ICRA]A2; reaffirmed
Total	120.00	120.00	

*Instrument details are provided in Annexure-II

Rationale

The rating reaffirmation factors in Rinac India Limited's (Rinac/the company) strong order book position of ~Rs. 1,100 crore as on date, which translates into a healthy revenue visibility. The company reported a ~10% YoY growth in revenue in FY2026 (as per provisional results), though the operating margin declined to ~4.3% from ~5.1% in FY2025 mainly due to an increase in raw material prices in Q4 FY2026 and delay in order execution arising from the disruption in the supply of key raw materials. While strong order inflows are expected to keep the order book elevated in the near to medium term and support healthy revenue growth, the margins may remain under pressure in the current fiscal given the prevailing pricing environment. Thus, the company's ability to pass on the cost escalations to customers will remain a key monitorable.

The ratings also take note of the acquisition of Metmin's 16.38% stake in Rinac by the promoters along with their friends and family in FY2026, thereby mitigating any risk of legal disputes.

The ratings continue to factor in Rinac's established track record in the cold chain industry and the significant experience of its promoters. Moreover, a reputed and diversified clientele base and the low customer and geographical concentration provide comfort. Further, the ratings consider its comfortable credit profile, evident from the low debt and satisfactory coverage metrics. While the company has undertaken a sizeable debt-funded capex to expand its manufacturing capacities, the debt coverage indicators will continue to be comfortable.

The company's operating profitability, however, remains range-bound at 4-5%, being exposed to the adverse fluctuations in raw material prices as a certain proportion of the contracts are fixed price in nature. The ratings are also constrained by Rinac's exposure to intense competition from established domestic and international players. The company remains dependent on sizeable credit from suppliers as well as advances from customers. Though this has resulted in very low working capital intensity, it has kept the TOL/TNW high in the light of a moderate net worth position.

The Stable outlook on the [ICRA]BBB+ rating reflects ICRA's opinion that Rinac will be able to generate comfortable cash flows, supported by its healthy order book and the investment plans of its end-user industries such as pharmaceutical, dairy and food processing. Also, the company will continue to benefit from its established track record in the cold chain business.

Key rating drivers and their description

Credit strengths

Established position in cold chain industry, supported by experienced promoters – Rinac benefits from an established track record of over 25 years in the cold chain industry, during which it has evolved into an integrated provider of cold chain and refrigeration solutions. Its product portfolio includes prefabricated sandwiched panels (PUF) and refrigeration and allied equipment, such as individually quick-frozen freezers (IQFs), Preserva (walk-in refrigerator), Chillkarts (truck with refrigeration body), blast freezers and other industrial refrigeration units. The promoters have an experience of over 40 years in the refrigeration and air conditioning industry.

Low customer and geographical concentration – The company has a diversified customer base catering to the FMCG, seafood, dairy, pharmaceutical and agro-commodities sectors. Many of these customers are established players in their own sectors, which lends comfort. Further, the manufacturing is spread in Karnataka and Maharashtra, enabling it to serve customers across various states. This, coupled with the focus on exports, leads to geographical diversification.

Healthy order book; margins seen to improve – The order book stood at around Rs. 1,035 crore as on March 31, 2026, wherein Rinac is the L1 bidder for orders worth Rs. 400-500 crore. This indicates a healthy inflow of orders and lends strong revenue visibility. The company is expected to report a steady improvement in its margins as well on expectations of a healthy growth in revenues and booking of large and profitable orders, though the volume of such orders is likely to remain relatively low.

Credit challenges

Modest operating margin profile; susceptibility to raw material price volatility – The company has a modest operating margin in the range of 4-5% due to intense competition in the cold chain industry and high volatility in raw material prices as most contracts are fixed price in nature. The operating margin is expected to improve, going forward, supported by the increasing scale of operations as well as the price escalation clause in a few contracts received in the recent past, along with the booking of more profitable orders.

High TOL/TNW – The company remains dependent on long credit from suppliers and advances from customers to address its funding requirements, resulting in high TOL/TNW of more than 2 times as on March 31, 2026, in the light of a moderate net worth position. The continued availability of the advances remains crucial for RIL's funding position.

Intense competition in cold chain industry – RIL is one of the largest manufacturers of PUF sandwich panels for cold rooms in India. It is present in the organised cold chain market and faces stiff competition from other large players. It also faces intense competition from numerous small PUF panel manufacturers, which affects its pricing flexibility.

Liquidity position: – Adequate

Rinac's liquidity position remains comfortable, supported by cash and liquid investment of ~Rs. 63 crore as of March 2026, higher than the usual level of Rs. 25-30 crore because of the increased advances for the orders as of March. The company has sufficient cushion in its fund-based working capital limits of Rs. 10 crore, which remain sparsely utilized. The company has debt repayment obligations of Rs. 5-7 crore per annum in the medium term and a capex of ~Rs. 10 crore for FY2027 and FY2028, each towards a JV with Gonavarri Material Handling.

Rating sensitivities

Positive factors – ICRA could upgrade Rinac’s ratings if the company is able to demonstrate a consistent improvement in its scale and profitability. Further, an improvement in the receivable and inventory position, leading to comfortable liquidity and debt coverage indicators will also be a credit positive.

Negative factors – Pressure on the ratings could arise if the order book declines, resulting in a reduction of the revenue and profitability. A substantial weakening of the liquidity position could also trigger a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Rinac India Limited (RIL), incorporated in 1994, is an engineering company providing cold chain solutions. It largely caters to the logistics, fast moving consumer goods (FMCG), seafood and construction sectors. RIL operates from its two facilities in Bengaluru and Thane. It manufactures pre-fabricated sandwich panels for the construction of cold rooms and assembles industrial refrigerators and allied equipment for cold rooms and cold storage facilities.

The company provides a varied range of products based on customer orders i.e., PUF panels along with refrigeration units for cold rooms and cold storage; only PUF panels; and turnkey projects for the construction of cold rooms, cold storages and clean rooms. RIL manufactures standardized products under refrigeration and allied equipment like blast freezers, individually quick frozen (IQF) freezers, Preserva (walk-in-refrigerators) and Chillkarts (truck body with refrigeration system).

After the stake sale by Metmin Investments Holding Limited (MIHL), a PE investor, majority shareholding is with promoters, promoter group, family members and friends.

Key financial indicators

Standalone	FY2024	FY2025	FY2026*
Operating income	483.8	506.0	558.5
PAT	15.02	15.9	18.24
OPBDITA/OI (%)	4.5%	5.2%	4.3%
PAT/OI (%)	3.1%	3.2%	3.3%
Total outside liabilities/Tangible net worth (times)	2.7	2.4	NA
Total debt/OPBDITA (times)	1.21	1.0	0.95
Interest coverage (times)	6.2	10.0	6.5

Source: Company, ICRA Research; All ratios are as per ICRA’s calculations; Amount in Rs. crore; *provisional results

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)			Chronology of rating history for the past 3 years						
			FY2026		FY2025		FY2024		
Instrument	Type	Amount rated (Rs. crore)	July 03, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long term	10.00	[ICRA]BBB+ (Stable)	June 16, 2025	[ICRA]BBB+ (Stable)	May 31, 2024	[ICRA]BBB (Stable)	Apr 12, 2023	[ICRA]BBB (Stable)
Fund-based-Term loan	Long term	37.50	[ICRA]BBB+ (Stable)	June 16, 2025	[ICRA]BBB+ (Stable)	May 31, 2024	-	-	-
Non-fund based- Others	Short term	72.50	[ICRA]A2	June 16, 2025	[ICRA]A2	May 31, 2024	[ICRA]A3+	Apr 12, 2023	[ICRA]A3+

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSR), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA that fall under the regulatory purview of various Financial Sector Regulators (FSR), as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term-Fund-based-Cash credit	Simple
Long-term-Fund-based-Term loan	Simple
Short-term-Non-fund based-Others	Very 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 II: Instrument details

ISIN	Instrument name	Date of issuance/sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term– Fund based - Cash credit	NA	NA	NA	10.00	[ICRA]BBB+ (Stable)
NA	Short term - Non-fund based facility	NA	NA	NA	72.50	[ICRA]A2
NA	Long term – Fund based - Term loan	June 2024	8.70%	June 2031	37.50	[ICRA]BBB+ (Stable)

Source: Company

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

Annexure III: List of entities considered for consolidated analysis - Not Applicable

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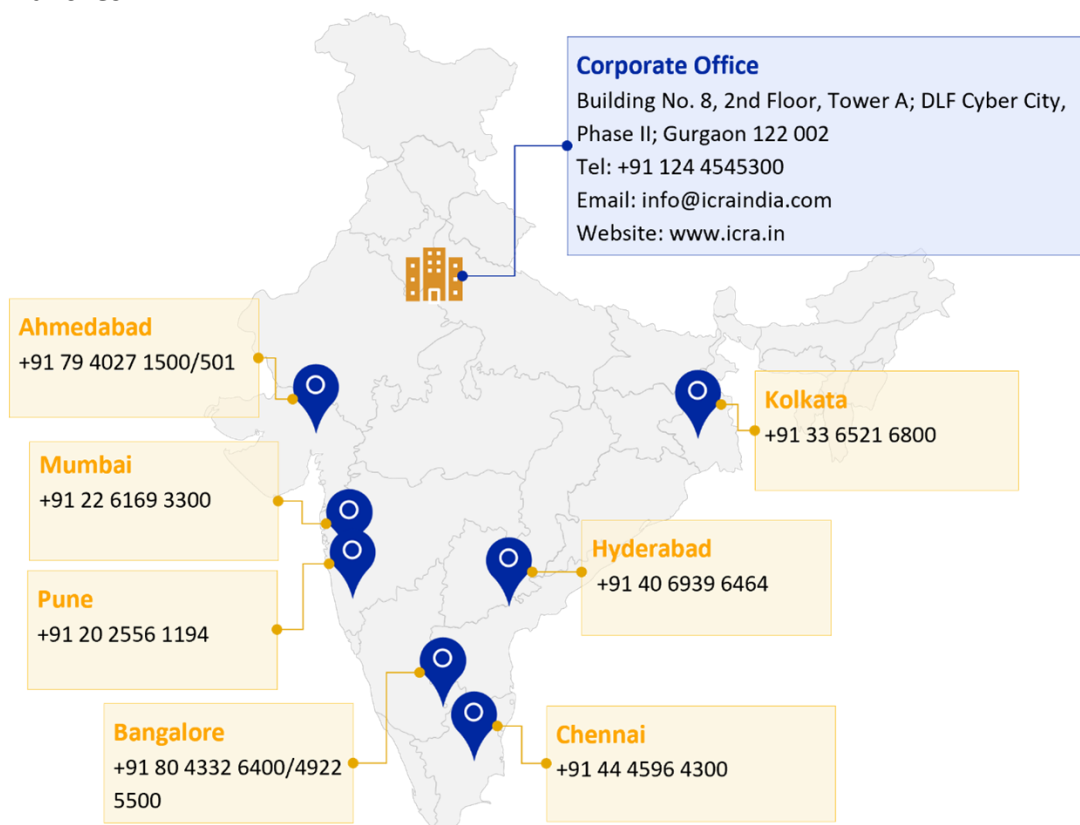


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