November 18, 2026

OFB Tech Limited: Ratings reaffirmed; rated amount enhanced for bank facilities; [ICRA]A1+; assigned for commercial paper

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term/Short-term – Fund-based	1,650.00	1726.00	[ICRA]A+ (Stable)/ [ICRA]A1+; reaffirmed and assigned for enhanced amount	RBI
Long-term – Fund-based – Term Loan	147.00	147.00	[ICRA]A+ (Stable); reaffirmed	RBI
Long-term/Short-term – Unallocated	703.00	1627.00	[ICRA]A+ (Stable)/ [ICRA]A1+; reaffirmed and assigned for enhanced amount	RBI
Commercial paper	-	200.00	[ICRA]A1+; assigned	RBI
Total	**2,500.00**	**3700.00**		

**Instrument details are provided in Annexure I*

#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.

Rationale

While arriving at the ratings, ICRA has considered the consolidated financials of OFB Tech Limited (OFB/Group) and its subsidiaries, excluding the financial services business under Oxyzo Financial Services Limited (OFSL).

The ratings continues to factor in OFB's diversified business profile across metals, apparel, chemicals and food processing, its large scale of operations and extensive experience of the promoters in the commerce business, which supports the long-term growth prospects. On a consolidated basis, OFB's commerce business reported an operating income of about Rs. 19,088 crore and an OPBDITA of around Rs. 800 crore in FY2026 over nearly Rs. 564 crore in FY2025. While the operating profits improved on an absolute basis, the operating margin remained modest at almost 4.2% in FY2026 (2.7% in FY2025) due to the sizeable contribution from low value-additive trading operations, which remain highly competitive with both organised and unorganised players. Consequently, despite the improvement in earnings, returns indicators remained moderate in FY2026. Low profitability also resulted in moderate debt coverage indicators with interest coverage of 3.9 times in FY2026.

Going forward, ICRA expects an increasing contribution from the manufacturing revenues to drive operating profitability, going forward. Manufacturing steel volumes are expected to witness steady growth over the 0.8 mtpa achieved in FY2026, while the apparel segment is likely to maintain healthy revenue growth, aided by the integration of recent acquisitions and improving export demand amid a better operating environment compared to the previous fiscal. ICRA also notes that OFB's leverage position remained comfortable with net debt/OPBDITA of around 1.0 times achieved in FY2026.

The ratings also factor in OFB's sizeable capital expenditure (capex) plans to be incurred during the next 3-4 years, which will keep its free cash flow under check and expose the company to project execution risks. Aggregate capex outlay is estimated at Rs. 1,500-1,600 crore during FY2027-FY2028. Any material delay or cost overrun could affect the expected improvement in profitability and cash flow generation. However, the projects in the steel business are aimed at enhancing the backward integration, which along with establishment of an agrochemicals and organic chemicals manufacturing unit, will strengthen the operating profile of the entity besides improvement in operating margins and hence remains RoCE accretive following

ramp-up in operations. ICRA will continue to closely monitor the progress of these projects, the associated funding plans and their impact on the company's credit profile. The company's healthy liquidity, supported by free cash and liquid investment balances of about Rs. 1,162 crore as on March 31, 2026, and comfortable operating cash flow generation, provides some comfort during the capex phase.

The ratings remain constrained by OFB's exposure to intense competition across its operating segments, vulnerability to commodity price volatility and fluctuations in foreign exchange (forex) rates. Nonetheless, the Group's risk mitigation policies on forex movements and price volatility provide some comfort. Further, the apparel business, which has emerged as a key contributor to consolidated earnings, derives a significant share of its revenues from exports and, therefore, remains exposed to changes in global trade policies, tariff structures and demand conditions in key overseas markets. Although the company's diversified business profile provides some cushion against these risks, profitability remains susceptible to adverse developments in external operating environment.

The Stable outlook on the long-term rating reflects ICRA's opinion that the Group is likely to sustain its operating metrics and strong liquidity position through a healthy growth in revenue and improved profitability in the near term by deriving benefits from the backward-integrated capex, sound risk management policies and a comfortable financial profile.

Key rating drivers and their description

Credit strengths

Large scale of operations – OFB has established a sizeable scale of operations with consolidated commerce revenues of about Rs. 19,088 crore in FY2026 over about Rs. 21,206 crore achieved in FY2025. The sizeable growth has been driven by organic growth in the trading business bundled with growth in the processing and manufacturing units over the last 3-4 years. The company's increasing presence across multiple manufacturing and processing businesses has further strengthened its competitive position.

Demonstrated ability to integrate acquisitions and improve operating performance - Over the last few years, OFB has successfully expanded its manufacturing footprint through acquisitions as well as organic growth across metal, apparel, chemicals and food processing segments. The company has integrated these businesses through a centralised operating framework, while improving the profitability and scale of operations. The ongoing corporate restructuring to merge all major entities under OFB is expected to further strengthen operational integration and governance practices.

Diversified business profile – OFB's revenue stream is diversified, given its presence in multiple categories such as metals, apparels, chemicals and food processing segments. OFB has achieved reasonable scale and experience across five business verticals. Apart from the trading business, the company has focused on manufacturing as well which has increased over the years. Owing to the synergies between its aggregation and manufacturing business, the Group's OPBITDA is expected to improve further.

Established relationship with a diversified customer and supplier base – OFB sources materials from a diversified supplier base due to which it is largely protected against pricing risk. It enjoys discounted rates from suppliers as it purchases in bulk on a regular basis. The Group has developed strong relationships with its suppliers and customers, which have resulted in repeat orders. Moreover, the addition of in-house processed and manufactured products on platform, enhances the overall value proposition for customers.

Credit challenges

Modest profit margins and return indicators – Despite the increasing contribution from manufacturing businesses, a meaningful portion of OFB's revenues continues to be derived from trading activities, which operate at relatively modest margins and remain exposed to intense competition. Consequently, while the company's operating profits improved on an absolute basis, the operating margin remained modest at around 4.2% in FY2026 (2.7% in FY2025) due to the sizeable

contribution from low value-added trading operations, which remain highly competitive because of both organised and unorganised players. Consequently, despite the improvement in earnings, returns indicators remained moderate in FY2026. Low profitability also resulted in moderate debt coverage indicators with interest coverage of 3.9 times in FY2026. Accordingly, the Group's ability to improve asset utilisation, sustain profitability and achieve a meaningful improvement in return metrics remains a key monitorable.

Execution risks associated with ongoing capex and acquisition plans – OFB has outlined a sizeable investment pipeline across its steel, chemicals and apparel businesses, with planned capex of Rs. 1,500-1,600 crore, to be incurred during the next two years, which will keep its free cash flow under check and expose it to project execution risks. While these investments are expected to strengthen OFB's business profile and earnings potential, timely execution, ramp-up of capacities and achievement of the projected returns remain monitorable. Any material delay or cost overrun could affect the expected improvement in profitability and cash flow generation. Further, the company's presence across multiple units may warrant continued monitoring from an operational integration perspective.

Exposure to competitive intensity and external market developments – The apparel business, which has emerged as a key contributor to earnings, derives a significant share of its revenues from exports and is, therefore, exposed to changes in global trade policies, tariff structures, demand conditions and customer sourcing strategies in key overseas markets. Further, several of the company's business segments operate in competitive industries, which may constrain pricing flexibility. While OFB's diversified business profile provides some mitigation against these risks, profitability remains susceptible to developments in the external operating environment. Nonetheless, the company has reported an improvement in operating profitability in FY2026, which offers some support to its earnings profile.

Inherent vulnerability to volatility in commodity prices – OFB is exposed to price risks, given the inherent cyclicality in commodities like steel, non-ferrous metals, chemicals, etc. However, the price risks are minimised by the largely back-to-back order arrangement. Further, ICRA notes that the freehold inventory maintained by OFB remains low and only for fast moving commodities.

Liquidity position: Strong

OFB's liquidity profile remains strong, supported by free cash and liquid investments of approximately Rs. 1,162 crore as on March 31, 2026. The company generated healthy operating cash flows of around Rs. 1,308 crore in FY2026, while maintaining a comfortable financial profile, with net debt of around Rs. 829 crore and net debt/OPBDITA of around 1.0 times. ICRA expects the company's cash flow generation and liquidity position to remain adequate to comfortably meet its debt servicing requirements while supporting its ongoing capex and investment plans.

Rating sensitivities

Positive factors – The long-term rating could be upgraded if the Group demonstrates a significant increase in its revenues and profitability on a sustained basis, leading to an improvement in the debt coverage metrics, while maintaining a strong liquidity.

Negative factors – Pressure on the Group's ratings could arise if there is a sharp decline in its revenues and profitability, resulting in lower cash flows and weakening of debt coverage metrics on a sustained basis. Any significant stretch in the working capital cycle or any unanticipated large debt-funded capex/investments, impacting the Group's liquidity position, could also be a trigger for a downgrade. Specific credit metrics for a rating downgrade include TOL/TNW of more than 1.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Iron & Steel Textiles – Apparels Trading
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of OFB Tech Limited (OFB/Group) and its subsidiaries, excluding the financial services business under Oxyzo Financial Services Limited (OFSL). However, the analysis considers the extraordinary funding support likely to be extended to OFSL by OFB. ICRA notes that as on date, OFB has not committed any incremental capital to OFSL or planned any support in the ordinary course of business in the near term. See Annexure II for details of the entities considered for consolidation.

About the company

OFB, incorporated in 2015, provides raw material fulfilment, value addition and marketing services through its tech-enabled B2B platform under the brand, Ofbusiness. Through its platform, the company primarily trades in bulk raw materials and undertakes basic processing in sectors such as steel, non-ferrous metals, agri-commodities, polymers, chemicals and textiles, with a focus on small and medium enterprise (SME) centric B2B business entities and corporates.

The company has raised equity capital of Rs. 5,370 crore over multiple rounds till date, and its promoters hold a 26.97% stake in it (as on March 31, 2026). The remaining stakes are primarily held by private equity investors, including SoftBank Group, Z47 (formerly known as Matrix Partners India), Tiger Global, Creation Capital, Alpha Wave Global, and Norwest Venture Partners.

Key financial indicators (audited)

OFB Tech Limited (consolidated commerce business*)	FY2025	FY2026
Operating income	21,206	19,088
PAT	258	348
OPBDIT/OI	2.7%	4.2%
PAT/OI	1.2%	1.8%
Total outside liabilities/Tangible net worth (times)	0.6	0.6
Total debt/OPBDIT (times)	4.5	2.6
Interest coverage (times)	3.4	3.9

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 of OFB Tech Limited (OFB/Group) and its subsidiaries, excluding the financial services business under Oxyzo Financial Services Limited (OFSL, as per ICRA's analytical approach.*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)					Chronology of rating history for the past 3 years					
				FY2027		FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Nov 18, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based facilities	Long-term/ Short-term	1,726.00	[ICRA]A+ (Stable)/ [ICRA]A1+	May 26, 2026	[ICRA]A+ (Stable)/ [ICRA]A1+	May 30,2025	[ICRA]A+ (Stable)/ [ICRA]A1+	May 14, 2024	[ICRA]A+ (Stable)/ [ICRA]A1+	Mar 31, 2024	[ICRA]A+ (Stable)/ [ICRA]A1+
				Aug 13, 2026	[ICRA]A+ (Stable)/ [ICRA]A1+	-	-	-	-	-	-
Term Loans	Long term	147.00	[ICRA]A+ (Stable)	Aug 13, 2026	[ICRA]A+ (Stable)	-	-	-	-	-	-
Unallocated	Long-term/ Short-term	1,627.00	[ICRA]A+ (Stable)/ [ICRA]A1+	May 26, 2026	[ICRA]A+ (Stable)/ [ICRA]A1+	May 30,2025	[ICRA]A+ (Stable)/ [ICRA]A1+	May 14, 2024	[ICRA]A+ (Stable)/ [ICRA]A1+	Mar 31, 2024	[ICRA]A+ (Stable)/ [ICRA]A1+
				Aug 13, 2026	[ICRA]A+ (Stable)/ [ICRA]A1+	-	-	-	-	-	-
Commercial paper^	Short-term	-	-	May 26, 2026	[ICRA]A1+; withdrawn	May 30,2025	[ICRA]A1+	May 14, 2024	[ICRA]A1+	Mar 31, 2024	[ICRA]A1+
Commercial paper*	Short-term	200.00	[ICRA]A1+	-	-	-	-	-	-	-	-
NCD*	Long-term	-	-	May 26, 2026	[ICRA]A+ (Stable): withdrawn	May 30,2025	[ICRA]A+ (Stable)	-	-	-	-

*^Unplaced; *Proposed*

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term – Fund-based	Simple
Long-term – Fund-based – Term Loan	Simple
Long-term/Short-term – Unallocated	Not Applicable
Commercial paper	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	Financial Sector Regulator#
NA	Long-term/ Short-term – Fund-based	NA	NA	NA	1726.00	[ICRA]A+ (Stable)/ [ICRA]A1+	RBI
NA	Long-term – Fund-based – Term Loan	NA	NA	FY2033	147.00	[ICRA]A+ (Stable)	RBI
NA	Long-term/ Short-term – Unallocated	NA	NA	NA	1627.00	[ICRA]A+ (Stable)/ [ICRA]A1+	RBI
Yet to be placed	Commercial paper	NA	NA	7-365 days	200.00	[ICRA]A1+	RBI

Source: Company

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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
Laxmi Foils Private Limited	100.00%	Full consolidation
Accordd Organics Private Limited	100.00%	Full consolidation
Constro Solutions Limited	100.00%	Full consolidation
Pitambar Solvex Pvt Ltd	100.00%	Full consolidation
Mayurank Foods Private limited	100.00%	Full consolidation
Samruddhi Organics Farm (India) Pvt Ltd	100.00%	Full consolidation
Samruddhi Organic Farms Vietnam Company Limited#	100.00%	Full consolidation
E-mox Manufacturing Pvt Ltd	100.00%	Full consolidation
SMW Ispat Private Limited	100.00%	Full consolidation
Candor Foods Private limited	51.05%	Full consolidation
Candor Dates Private Limited	35.22%	Full consolidation
GVR Fibres Private Limited	51.12%	Full consolidation
OFB Universal FZE	100.00%	Full consolidation
OFB Commodities DMCC	100.00%	Full consolidation
OFB Commodities Pte. Ltd.	100.00%	Full consolidation
Gvr Nutries Private Limited	51.12%	Full consolidation
Alpine Shoes Private Limited	100.00%	Full consolidation
Indian Designs Exports Private Limited	100.00%	Full consolidation
BD Designs Private Limited	100.00%	Full consolidation
OFB-Indian Designs Private Limited	100.00%	Full consolidation
OFB Design INC	100.00%	Full consolidation
Oxyzo Financial Services Limited^	74.43%	-
OXY Ventures Private Limited^	74.43%	-
OXY B Securities Private Limited^	74.43%	-
Oxyzo Investment Manager Private limited^	74.43%	-
OXY Finvest Private Limited^	74.43%	-
Ziel Financial Technologies Private Limited^	74.43%	-

Source: FY2026 Annual report

#Samruddhi Organic Farms Vietnam Company Limited, incorporated in Vietnam on July 17, 2024, did not commence operations or receive any capital contribution. Pursuant to a Board resolution dated May 5, 2025, the entity is being dissolved and the requisite closure formalities have been initiated.

^The financial services business under OFSL and related entities have been excluded from OFB 's consolidated financial statements as per ICRA's analytical approach.

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ABOUT ICRA LIMITED

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

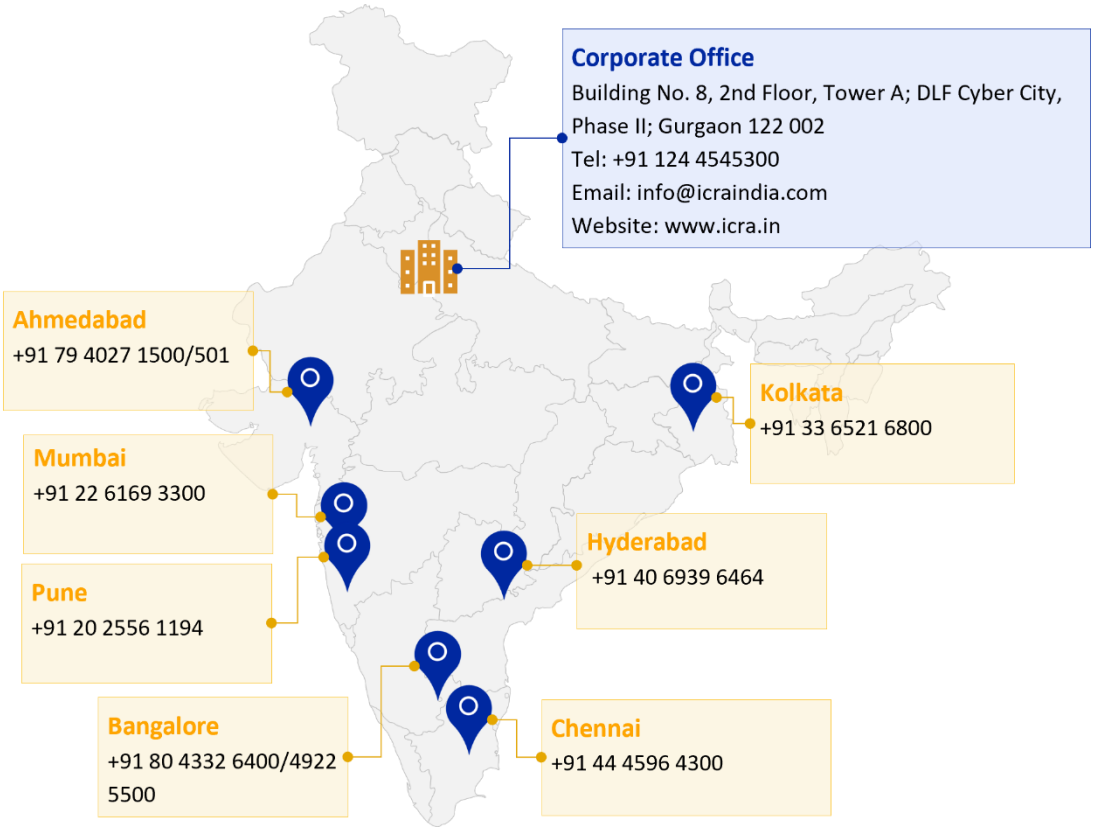
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