

Ratnaveer Precision Engineering Limited

April 28, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 388.47Crore (Enhanced from Rs 295.78 Crore)	Regulator[^]
Long Term Rating	IVR A-/Stable (Rating upgraded; Outlook revised to 'Stable' from 'Positive')	RBI
Short Term Rating	IVR A2+ (Rating Upgraded)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

The rating upgrade of Ratnaveer Precision Engineering Limited (RPEL) favourably factors in increase in overall revenue and profitability with improved capital structure and debt coverage indicators. The ratings continue to factor in healthy order book position, diversified customer profile and backward integrated nature of operations which supports process efficiency. Infomerics, notes the benefits of the on-going capex in terms of wider product portfolio and capacity enhancement together with the investment in the solar capacity which will result in higher cash flows.

The rating is however constrained on account of working capital-intensive nature of operations, highly competitive and fragmented nature of industry, vulnerability of profit margins to fluctuations in steel price movements and foreign exchange risk.

Outlook: Stable:

The Stable outlook reflects Infomerics' expectation of continued growth in revenue and profitability margins with the successful commercialisation of ongoing capex and savings from captive power.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

- **Increase in overall revenue and improvement in profitability.**

Overall revenue improved year-on-year by 49.80% in FY25, reaching ₹891.88 crore compared to ₹595.38 crore in FY24. This substantial increase was supported by higher volumes and improved realizations. Total operating income (TOI) further improved to ₹819.70 crore in 9MFY26, with more than ₹30 crore contributed by value-added products. With the increase in topline and supported by increase in product range, EBITDA and PAT margins improved to 9.69% and 5.23% in FY25, compared to 8.40% and 5.15% in FY24. In 9mFY26 the company reported EBITDA margin of 10.52% driven by ability to offer complete fastening solutions and power cost savings from solar power capacity of 2MW.

Revenue growth in FY26 is expected to be around 23% over FY25, reaching approximately ₹1,100 crore. This is further projected to improve by over 25%, rising to over ₹1,400 crore by FY27. The overall increase in revenue will be driven by higher volumes, improved realizations, the addition of value-added products, and expansion through the upcoming Phase II capex.

With the increase in topline and the broader product range, EBITDA and PAT margins are expected to improve to around 10%- 11% and around 5%-6% respectively in FY26. The EBITDA margin is projected to be maintained at similar level in FY27.

- **Improved capital structure and debt service indicators**

The capital structure, reflected in the TOL/TNW ratio, improved to 1.01x at the end of FY25 compared to 1.21x at the end of FY24. It is expected to strengthen further to below 0.50x at end FY26. Going forward in FY 27, the TOL/TNW is likely to remain steady at similar level as FY 26, with the increased debt on account of capex related term loans being offset by increase in net worth accretions of profits. Total Debt/EBITDA improved to 1.67x at the end of FY25 from 1.87x at the end of FY24. This ratio is further expected to improve to below 1.40x at end FY26 and below 1.20x at end FY27, driven by growth in overall EBITDA.

The DSCR improved to 5.25x at the end of FY25. Infomerics expects DSCR to moderate to around 3.50x-4.00x over FY26 and FY27 as repayments of project term loans commence.

- **Backward integration supports process efficiency**

RPEL processes scrap generated during the manufacturing of its products and converts it back into raw material for reuse in production. As a result, a portion of the raw material requirement is met in-house, while waste produced in the manufacturing process is fully utilized, ensuring minimal wastage. This backward integration, implemented through the steel melting shop (comprising an induction furnace), enhances efficiency in the production process and provides a competitive advantage. It contributes to lower product costs, greater control over raw material supply, and reduced dependency on third parties for operations.

- **Long track record of operation and extensive experience of promoters in steel industry.**

With a track record of over two decades in the stainless-steel industry, the company has established strong relationships with customers and achieved a successful presence in both domestic and global markets. In addition to extensive experience of promoters, RPEL is supported by a well-experienced and qualified management team.

- **Diversified customer profile.**

RPEL sells its products in both domestic and international markets. The company has been exporting to destinations including Germany, the UK, Spain, the Netherlands, and other countries. This diversified customer base mitigates risks related to customer concentration, sector-specific challenges, global market fluctuations, and changes in international relations.

Weaknesses

- **Working capital intensive nature of operations.**

RPEL's operations remain working capital-intensive, as the business requires significant funding due to the considerable time gap between the purchase of raw materials and the collection of receivables after sales. The overall working capital cycle is driven by large WIP inventory days as the company supplies various types of washers along with nuts, bolts, circlips etc as part of a typical order. In addition, RPEL extends credit periods to customers to foster long-term relationships. The operating cycle of RPEL remains long, standing at 107 days in FY25 (as against 157 days in FY24). Also, the same is expected to remain long at 100 days in FY 26 and further at 94 days in FY 27. Efficient working capital management will continue to be a key rating sensitivity from a credit perspective.

- **Operates in highly competitive and fragmented industry.**

RPEL operates in a highly competitive and fragmented industry, facing competition from both organized and unorganized players. However, Infomerics notes that competitive intensity in the stainless-steel washer and fasteners segment is relatively lower compared to the mild steel/carbon steel products segment.

- **Profit margins exposed to fluctuations in steel price movements and foreign exchange risk.**

RPEL remains vulnerable to volatility in raw material and finished goods prices. The prices of key raw materials, such as stainless-steel scrap, SS sheets, and SS coils, have exhibited a volatile trend over the years, being largely determined by market forces. Considering the volatility in price of stainless steel, the company places back-to-back orders for around 75% of the raw material with suppliers like Jindal Stainless Ltd, Sambhav Metals and Alloys Ltd as well as scrap suppliers after receiving confirmed orders from clients to hedge against price volatility. In addition, RPEL's profitability is exposed to adverse fluctuations in foreign currency, as the company does not hedge 100% of its net FX exposure. The company hedges the net foreign currency payables position (after netting of FX receivables from exports against payables from raw material imports) to the extent of 80% through forward contracts.

Liquidity – Adequate

RPEL's cash flow from operations are estimated to be adequate to meet its, repayment obligations of ₹7.60 crore in FY26, ₹9.67 crore in FY27, and ₹16.36 crore in FY28. Bank limits have remained utilized at around 59.94% over the past 12 months ended February 2026. Furthermore, RPEL had free cash and bank balances of ₹70 crore as of September 2025.

Rating Sensitivities

Upward Factors

- Growth in revenue to over Rs.1500cr with higher contribution from value added products as well as power cost savings from solar power plant resulting in improvement in EBITDA margins to over 11%.
- Sustenance of the capital structure at conservative level.
- Sustenance of TOL/TNW below 0.40x.

Downward Factors

- Significant decline in revenue and/or decline in EBITDA margins and/or any large unplanned debt funded capex leading deterioration in credit profile.

About the Company:

RPEL, manufactures stainless steel products in Vadodara (Gujarat). RPEL is promoted by Mr. Ramanlal Sanghvi and currently managed by Mr. Vijay Sanghvi and family. The Company manufactures stainless steel washers, solar mounting hooks, finishing sheets and SS tubes & pipes products, which find application in elevators, doors, and home appliances. The company produce more than 2500 types of washers in different sizes and international standards. The company incorporates an in-house backward integrated manufacturing facility, which makes them independent to manufacture any product size at any time. The manufacturing facilities located at Vadodara and Ahmedabad, Gujarat with an installed capacity of 41000 metric tons per annum, which was utilized around 80% during last three years ended as on March 31, 2025. The company has completed capex Phase 1 as of February 2025. The total capacity increased to 67194 metric TPA from which 23194 metric TPA is from a result of the capex in phase 1 and rest is due to the enhancement in the existing capacity of finishing line which has been shown to be higher at 32,000 TPA in FY25 (compared to 21,000 TPA in FY24) with an additional increase of 3,000 MTPA in FY26. This increase in capacity is attributable to changes in the thickness of stainless-steel sheets processed. The company has also initiated Phase II capex which enhance its product portfolio capacities and installation of 2MW solar power plant for captive use and has planned Phase III capex for Entry into Copper Clad Laminates (CCL) segment (electronics/PCB industry) with capacity of 5,280 sheets/day at Gujarat. The total capacity will increase by 21736 metric TPA as a result of the capex in phase II.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2024	31-03-2025	HY1FY26
	Audited	Audited	Unaudited
Total Operating Income	595.38	891.88	550.49
EBITDA	49.98	86.39	57.65
PAT	31.05	46.82	30.38
Total Debt	93.45	144.07	214.02
Tangible Net Worth (TNW)	#252.11	370.92	422.70
EBITDA Margin (%)	8.40	9.69	10.47
PAT Margin (%)	5.15	5.23	5.52
Overall Gearing (times)	0.37	0.39	0.51
Interest Coverage (times)	4.14	6.81	7.91

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

#The total net worth (TNW) for FY24 excludes intangible assets amounting to ₹33.64 crore.

Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy-on-withdrawal-of-ratings](#)

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years

Sr. No.	Instruments/Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
						March 17, 2025	Jan 18, 2024
1.	Fund based facilities	LT	210.47	IVR A-/Stable	-	IVR BBB+/Positive	IVR BBB+/Stable
2.	Non-fund based facilities	ST	178.00	IVR A2+	-	IVR A2	IVR A2

Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility	Rating Assigned/Outlook	Listing Status	Regulator^	Complexity Indicator
					(Rs. Crore)				
Bandhan Bank GECL	NA	NA	NA	March 2027	1.87	IVR A-/Stable	-	RBI	Simple
Bandhan Bank ECGLS – I	NA	NA	NA	NA	0 (reduced from 0.62 cr)	Withdrawn	-	RBI	Simple
Bandhan Bank ECGLS – II	NA	NA	NA	Oct 26	0.41	IVR A-/Stable	-	RBI	Simple
Bandhan Bank Term Loan	NA	NA	NA	March 32	29.43	IVR A-/Stable	-	RBI	Simple
Bandhan Bank Cash Credit	NA	NA	NA	NA	19.50	IVR A-/Stable	-	RBI	Simple
Bandhan Bank Letter of Credit	NA	NA	NA	NA	5	IVRA2+	-	RBI	Simple



Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility	Rating Assigned/ Outlook	Listin g Statu s	Reg ulat or^	Complexi ty Indicator
					(Rs. Crore)				
HDFC Bank Limited Letter of Credit	NA	NA	NA	NA	0 (reduced from 30 cr)	Withdrawn	-	RBI	Simple
IndusInd Bank Cash Credit	NA	NA	NA	NA	0 (reduced from 7 cr)	Withdrawn	-	RBI	Simple
IndusInd Bank Letter of Credit	NA	NA	NA	NA	0 (reduced from 6 cr)	Withdrawn	-	RBI	Simple
ICICI Bank Limited Cash Credit	NA	NA	NA	NA	0 (reduced from 2 cr)	Withdrawn	-	RBI	Simple
ICICI Bank Limited Letter of Credit	NA	NA	NA	NA	0 (reduced from 10 cr)	Withdrawn	-	RBI	Simple
UCO Bank ECGLS – I	NA	NA	NA	June 27	1.01	IVR A- /Stable	-	RBI	Simple
UCO Bank Cash Credit	NA	NA	NA	NA	*11.25	IVR A- /Stable	-	RBI	Simple
UCO Bank Letter of Credit	NA	NA	NA	NA	**35.89	IVRA2+	-	RBI	Simple
UCO Bank Bank Guarantee	NA	NA	NA	NA	***0.11	IVRA2+	-	RBI	Simple
Yes Bank Limited Cash Credit	NA	NA	NA	NA	20	IVR A- /Stable	-	RBI	Simple
Yes Bank Limited Letter of Credit	NA	NA	NA	NA	20	IVRA2+	-	RBI	Simple
Karur Vysya Bank Cash Credit	NA	NA	NA	NA	6.25	IVR A- /Stable	-	RBI	Simple
Karur Vysya Bank Letter of Credit	NA	NA	NA	NA	27	IVRA2+	-	RBI	Simple
Federal Bank Cash Credit	NA	NA	NA	NA	0 (reduced from 15 cr)	Withdrawn	-	RBI	Simple
Federal Bank Letter of Credit/Bank Guarantee	NA	NA	NA	NA	0 (reduced from 20 cr)	Withdrawn	-	RBI	Simple
Axis Bank Cash Credit	NA	NA	NA	NA	@ 15	IVR A- /Stable	-	RBI	Simple
Axis Bank Letter of Credit	NA	NA	NA	NA	20	IVRA2+	-	RBI	Simple
Axis Bank LC-2	NA	NA	NA	NA	@@ 20	IVRA2+	-	RBI	Simple



Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility	Rating Assigned/ Outlook	Listin g Statu s	Reg ulat or [^]	Complexi ty Indicator
					(Rs. Crore)				
IDBI Cash Credit	NA	NA	NA	NA	! 4	IVR A- /Stable	-	RBI	Simple
IDBI WCDL	NA	NA	NA	NA	! 6	IVR A- /Stable	-	RBI	Simple
IDBI Letter of Credit	NA	NA	NA	NA	!! 20	IVRA2+	-	RBI	Simple
IDBI Term Loan	NA	NA	NA	March 24	!!! 30	IVR A- /Stable	-	RBI	Simple
South Indian Bank Cash Credit	NA	NA	NA	NA	5	IVR A- /Stable	-	RBI	Simple
South Indian Bank Term Loan	NA	NA	NA	Not yet disbursed, 120 Months (Incl. 12M moratorium)	25.75	IVR A- /Stable	-	RBI	Simple
Bajaj Finance Limited Term Loan	NA	NA	NA	June 35	25	IVR A- /Stable	-	RBI	Simple
Bank of Baroda Cash credit	NA	NA	NA	NA	~ 10	IVR A- /Stable	-	RBI	Simple
Bank of Baroda Letter of Credit	NA	NA	NA	NA	~~ 30	IVRA2+	-	RBI	Simple

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Bandhan Bank- Working capital demand loan (WCDL) of Rs.5.00 crore is sublimit to Cash Credit facility.

UCO Bank-*CC / EPC / PCFC / FBP / FBD limits are fully interchangeable within the sanctioned limit of Rs.11.25 crore.
LC and BG limits are fully interchangeable within the sanctioned limit of Rs.35.89 crore.*BG/ILC/FLC are fully interchangeable within the sanctioned limit of Rs.0.11 crore.

Yes Bank-CC / WCDL / EPC / EBD / PCFC / PSFC/ LC limits are fully interchangeable within the sanctioned limit of Rs.40.00 crore.

Karur Vysya Bank-WCDL / PCL / PCFC / FBN / FBP / RADV / EBN / EBD limits of Rs.6.25 crore is sublimit to Open Cash Credit facility. Further one way interchangeability from WC-FB limit to WC-NFB limit and not vice-versa.

Axis Bank-@ WCDL of Rs 12 crore and EPC of Rs 10 crore and LC(Inland Import) of Rs 12.00 is the sub limit of CC amount Rs 15 core.@@ WCDL od Rs 15 crore and SBLC of Rs 10 crore is the sub limit of LC-2 of Rs 20 crore.

IDBI-! EPC/ PCFC/EBR/ FBD/FBN) [Inner limit to FB] of Rs 10.00 crore!! TCBG / Buyer's Credit (inner limit to LC) of Rs 20.00 crore and LER (inner limit to LC) of Rs1.00 crore.!!! Capex LC - Sub limit to TL of Rs 25.00 crore

South Indian Bank: WCL is the sub limit of CC

Bank of Baroda- ~PC/PCFC/FBP/FBD/FCBP/FCBD/WCDL/IBG is the sublimit of CC. ~~ FCL/DL of Rs 2.50 crore is the sub-limit of LC

Annexure 2: Facility wise lender details:

[https://infomericstorage.blob.core.windows.net/uploads/LEN_Ratnaveer Precision Engineering28apr26_ca1c427b0d.pdf](https://infomericstorage.blob.core.windows.net/uploads/LEN_Ratnaveer_Precision_Engineering28apr26_ca1c427b0d.pdf)

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: NA**Annexure 4: List of companies considered for Consolidated/Combined analysis: NA****Annexure 5: List of activities / instruments and names of regulators**

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	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 lenders/Loans from Multilaterals	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	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI



20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

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

~ 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 may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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About Infomerics

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For more information and definitions of ratings, please visit www.infomerics.com.

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