

Rashtriya Ispat Nigam Limited

October 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long term bank facilities	-	-	Revised to CARE BB-;Stable and Withdrawn
Short term bank facilities	-	-	Revised to CARE A4 and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has revised the ratings assigned to Rashtriya Ispat Nigam Limited (RINL) to 'CARE BB-; Stable/CARE A4' from CARE D/CARE D and subsequently withdrawn the outstanding ratings with immediate effect. The above withdrawal action has been taken at the request of the company and on the receipt of 'No Objection Certificate' received from all the lenders that have extended the facilities to RINL rated by CareEdge Ratings.

The revision in ratings assigned to the bank facilities of Rashtriya Ispat Nigam Limited (RINL) factors in the regularisation of the account since January 16, 2025, with no delays or defaults observed thereafter. The rating action also reflects the significant improvement in the company's debt servicing capability following the infusion of financial support from the Government of India (GoI), amounting to ₹9,800 crore. Of this, ₹6,783 crore, ₹1,401 crore, and ₹820 crore were received in January, May, and September 2025 respectively, which were primarily utilised to meet timely debt servicing obligations.

RINL, a wholly owned public sector enterprise under the administrative control of the Ministry of Steel, continues to benefit from its strategic importance and demonstrated support from the GoI. While GoI has provided financial supports, this has been basis RINL meeting specific operational targets. As per the company management, all the blast furnaces are operational and operating well within the targets which are set by the GoI. The company has ramped up operations with no major operational bottlenecks reported.

However, the ratings remain constrained by the company's historically weak financial performance, marked by significant operating losses in FY25, continued in H1FY26, and a leveraged capital structure. CareEdge Ratings notes that the sustainability of the current rating levels is contingent upon continued timely support and additional funding packages from the GoI, improvement in operational efficiencies, and gradual recovery to profitability.

Analytical approach: Consolidated

RINL along with its subsidiaries, operate in the same line of business and have financial and management linkages. List of subsidiaries have been mentioned in the Annexure-6.

Outlook: Stable

The stable outlook for the revised ratings factors in the expectation of balance funding tranche of Rs. 796 crores to be received in Q4FY26 which is adequate to ensure the timely debt servicing. Further, we expect continuation of further equity infusion plans to RINL as stated by company management.

Detailed description of key rating drivers:

Key weaknesses

Decline in operational performance in FY25

In FY25, the company experienced a significant deterioration in operational performance across all key facilities. Total Operating Income (TOI) decreased by 21%, from ₹23,201 crore in FY24 (S) to ₹18,316 crore in FY25 (S), while overall sales volume declined by 18%, reflecting lower production levels and lack of raw material availability. Average sales realisation decreased by 4%, suggesting ongoing pricing pressure. Major segments such as finished products and blooms registered substantial declines, indicating weakness in core operations during the year.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications

Historically continued operational losses have weakened the financial position

During the period of FY21 to FY24, the company achieved positive profit after tax (PAT) only once in FY22 on a consolidated basis and recorded a loss of ₹1,389 crore in FY25 on a standalone basis. In addition, RINL experienced marginal growth in sales between FY21 and FY24, but in FY25 (Standalone) the net sales fell sharply to ₹18,288 crore from ₹23,168 crore in FY24 (standalone) and ₹23,305 crore in FY24 (consolidated). RINL has also seen a decline in net worth from FY21 to FY24, dropping from ₹2,240 crore in FY21 to ₹-4,539 crore in FY24. To stabilize the financial position, the government infused equity worth ₹6,783 crore in Jan 2025 and ₹1401 crore in May 25. The financial burden continues to be mounting, resulting in increased financial leverage and interest costs for the company

Exposure to inherent cyclicality in the end use industry

The steel industry is sensitive to the shifting business cycle, including changes in the general economy, interest rates and seasonal changes in the demand and supply conditions in the market. Demand for steel products is sensitive to trends of particular industries, such as automotive, construction, infrastructure, and consumer durables, which are the key consumers of steel products. Apart from the demand side fluctuations, the highly capital-intensive nature of steel projects along-with the inordinate delays in the completion hinders the responsiveness of supply side to demand movements. This results in several steel projects bunching-up and coming on stream simultaneously leading to demand-supply mismatch. The producers of steel products are essentially price-takers in the market, which directly expose their cash flows and profitability to volatility of the steel industry.

Key strengths**Delay free track record**

The ratings factor in the establishment of a delay-free debt servicing track record since January 16, 2025. Post the infusion of financial support from the GoI, RINL has demonstrated timely servicing of both interest and principal obligations across its rated bank facilities.

Wholly owned by Govt of India

RINL is a Navratna enterprise under the administrative control of the Ministry of Steel, with its board comprising two government directors from the Ministry of Steel, including the Additional Secretary and Financial Advisor. The Chairman-cum-Managing Director brings extensive experience from working with large integrated steel players. The company has access to competitive financing from the government considering its shareholding, with its entire debt sourced from public sector banks. While there has been no direct government support over the past 10 years, indirect support has continued. In January 2025, the Government of India approved an equity infusion of ₹10,300 crore to be completed by December 2025, along with the conversion of a ₹1,140 crore government loan into 7% non-cumulative preference share capital redeemable after 10 years, aimed at making RINL operational and facilitating its revival.

Established market position with strategic location of the plant

RINL's manufacturing unit is in Visakhapatnam, a major port city in the southeast coast of India with two major ports, Visakhapatnam Port Trust (VPT) and Gangavaram Port Limited (GPL). The unit's strategic location enables the company to import coking coal easily from the port, which helps the company to rationalise freight costs. RINL is the second largest Public Sector Undertaking steel company in India (after Steel Authority of India [SAIL]) with an installed liquid steel production capacity of 7.3 MTPA. RINL has an established track record of about two decades in steel industry and currently the company is one of the leading producers of long steel products in India. The company is a big player in the fragmented industry (long steel is relatively more fragmented as compared to flat steel).

Improvement in capital structure

There has been an increase in net worth from ₹-4,539 crore in FY24 to ₹1,134 crore in FY25, primarily driven by an equity infusion of ₹6,783 crore by the Government of India in January 2025 and ₹1,401 crore in May 2025. In addition to this there is more equity infusion worth ₹1,616 crore in the coming quarters of FY26. Furthermore, the equity share capital increased from ₹4,890 crore in FY24 to ₹5,390 crore in FY25, reflecting another equity infusion of ₹500 crore in September 2025. The company's capital structure has improved, as evidenced by its net worth turning from negative to positive, alongside the increase in the equity portion. This shift indicates a stronger financial foundation, reduced risk, and an enhanced ability to support operations and growth through shareholder funds.

Liquidity: Poor

The liquidity position of RINL has deteriorated significantly, with the cash balance totaling ₹2.21 crore as of Mar 31, 2025. CareEdge Ratings expects the balance funding tranche of Rs. 796 crores to be received in Q4FY26 which is adequate to ensure the timely debt servicing. Further, we expect continuation of need-based financial support to RINL as stated by company management. However, the turnaround of the operations to generate positive operating cash flows, remains of paramount importance and will be a key rating monitorable going ahead.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Iron & Steel](#)

[Short Term Instruments](#)

[Policy on Curing Period](#)

[Consolidation](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Ferrous Metals	Iron & Steel

RINL, the corporate entity of Visakhapatnam Steel Plant (VSP) is a Public Sector Undertaking with Navratna status, being 100% owned by the GoI. The company set up its first shore based integrated steel plant at Visakhapatnam in Andhra Pradesh. The company has an established position in the long steel products manufacturing, within the domestic market with an installed liquid steel capacity of 6.3 million tonnes per annum (MTPA). RINL produces broad range of steel products, including plain wire rods, rebars, rounds, squares, structural, billets, blooms and pig iron.

Brief Financials (₹ crore)	March 31, 2024 (A) [#]	March 31, 2025 (A)(S)	Q1FY26
Total operating income	23,201.44	18,316.94	NA
PBILDT	-2,035.37	-1,848.43	NA
PAT	-4,848.86	-1,388.62	NA
Overall gearing (times)	-4.10	10.29	NA
Interest coverage (times)	-0.93	-0.84	NA

A: Audited UA: Unaudited; Note: these are latest available financial results, NA- not available, S: Standalone

[#]The financials for FY24 (A) have not been restated to reflect updates presented in the FY25 report

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Working capital Term Loan		-	-	FY2029	0.00	Withdrawn
Fund-based/Non-fund-based-Short Term		-	-	-	0.00	Withdrawn
Non-fund-based-Long Term		-	-	-	0.00	Withdrawn
Term Loan-Long Term		-	-	FY2035	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	-	-	1)CARE BB-; Stable (27-Sep-25)	1)CARE D (05-Jul-24) 2)CARE BB+; Stable (21-May-24)	-	-
2	Fund-based/Non-fund-based-Short Term	ST	-	-	1)CARE A4 (27-Sep-25)	1)CARE D (05-Jul-24) 2)CARE A4+ (21-May-24)	-	-
3	Non-fund-based-Long Term	LT	-	-	1)CARE BB-; Stable (27-Sep-25)	1)CARE D (05-Jul-24) 2)CARE BB+; Stable (21-May-24)	-	-
4	Fund-based - LT-Working capital Term Loan	LT	-	-	1)CARE BB-; Stable (27-Sep-25)	1)CARE D (05-Jul-24) 2)CARE BB+; Stable (21-May-24)	-	-

LT: Long term; ST: Short term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Working capital Term Loan	Simple
2	Fund-based/Non-fund-based-Short Term	Simple
3	Non-fund-based-Long Term	Simple
4	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Eastern Investments Limited	Full consolidation	Direct subsidiary with 51% stake

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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