# Rohit & Company

October 10, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long-term bank facilities | 180.00<br>(Enhanced from 165.00) | CARE BBB-; Stable | Reaffirmed |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

Reaffirmation of the rating to bank facilities of Rohit & Company (RC) continue to derive strength from experienced promoters, long-standing distributorship of Tata Steel Limited (TSL) products in Gujarat and Maharashtra, and a large and diversified client base of industrial buyers. Ratings also factor in improvement in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins, though remained thin, leading to stable return indicators despite moderation in total operating income (TOI) in FY25 (FY refers to April 01 to March 31), considering reduced realisation and volume of steel products. However, these strengths are tempered by a leveraged capital structure and weak debt coverage metrics, working capital intensive operations, profitability susceptible margins to volatility in steel prices, intense competition in steel trading, and its constitution as a partnership firm.

## Rating sensitivities: Factors likely to lead to rating actions

**Positive factors**

- Improving PBILDT margins to 4.00% on a sustained basis.
- Improving overall gearing to less than 2.50x on a sustained basis.

**Negative factors**

- Declining current ratio below 1.10x.
- Return on capital employed (ROCE) declining below 8%.
- Withdrawal of capital resulting in reducing net worth below FY25 levels.
- Deteriorating realisation indicated by PBILDT per tonne going below ₹1000.

**Analytical approach:** Standalone

**Outlook:** Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings) opinion that the company will continue to benefit from the experience of promoters in the medium term.

## Detailed description of key rating drivers:

## Key Strengths

**Experienced promoter group and long track record of the firm**

Shree Narayan Bihani, promoter, has over 40 years of experience in iron and steel trading. He is supported by his sons, Rohit Bihani and Raghav Bihani, who have each been active in steel trading for over 10 years. RC, the flagship entity of the Bihani Group, acts as a distributor for TSL products in Gujarat, Telangana and Maharashtra. Other group entities engaged in similar business include Darpan Vinimay Private Limited (DVPL), Wrinkle Distributors Private Limited (WDPL), Giriraj Vyapar Private Limited (distributor of Tata Steel BSL's products), Vision Procon Private Limited (distributor of wire, pipes and tubes to business-to-consumer [B2C] customers), Proctor Marketing Private Limited and Balaji Abasan Private Limited. Promoters have previously extended financial support to group entities through inter-corporate deposits and unsecured loans.

**Distributorship of TSL and diversified clientele**

RC, the flagship entity of the Bihani Group, has been a distributor for TSL in Gujarat and Maharashtra since 1995, offering products such as galvanised sheets (brand – Tata Shaktee), colour-coated sheets (brand – Durashine), galvanised coils (brand – Galvano), cold rolled plates (brand – Tata Steelium) and hot rolled coils. RC also distributes TSL products in Telangana. The firm operates steel processing and finishing facilities in Changodar, Ahmedabad, and maintains two large warehouses in Taloja and Kalamboli, Mumbai. The Bihani Group has an established client network comprising consumers, wholesalers and traders, with a diversified client profile.

**Moderation in scale of operations; profitability levels marginally improved in FY25 (UA)**

RC's TOI was moderate at ~₹1,329.80 crore, with a decline of ~16% compared to ₹1,578.44 crore. Moderation in scale of operations was considering decline in quantity sold and average realisation. Owing to its trading business model, margins remained thin. PBILDT margins remained largely stable, improving by 28 basis points to 2.07% in FY25(UA) compared to 1.79% in FY24,

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

driven by favourable pricing opportunities in certain trades that yielded higher returns. In 5MFY26(UA), the firm achieved sales of ~₹545.72 crore, which was largely stable compared to 5MFY25 (UA) revenue of ~₹538.08 crore.

## Key weaknesses

**Partnership firm**

Being a partnership firm, there is an inherent risk of capital withdrawal by partners in case of personal contingencies. This limits access to external borrowings, where net worth and creditworthiness of promoters are key factors influencing lenders' credit decisions. Hence, limited funding avenues and financial flexibility constrain growth in the firm's scale of operations.

**Leveraged capital structure and weak debt coverage metrics**

As on March 31, 2025 (UA), total debt stood at ~₹218.23 crore compared to ~₹193.19 crore in FY24. The debt comprises vehicle loan of ~₹0.17 crore, working capital borrowings of ~₹191.34 crore, and unsecured loans from body corporates and promoters of ~₹26.72 crore, against tangible net worth (TNW) of ~₹48.75 crore as on March 31, 2025 (UA). RC primarily depends on working capital limits to finance operations. Overall gearing remained high, in line with previous year, at 4.48x as on March 31, 2025 (UA) compared to 4.27x as on March 31, 2024. Total outside liabilities (TOL)/TNW in FY25 (UA) remained high at 5.06x, however, improved from 5.79x in FY24, aided by an improved net worth base. Changes in capital structure leading to adverse movement in overall gearing remain a key rating sensitivity. Interest coverage ratio remained stable at 1.36x in FY25 (UA) compared to 1.35x in FY24, considering improvement in PBILDT margins despite elevated finance costs on a moderated scale of operations. Total debt to gross cash accruals (TD/GCA) remained high at 29.65x as on March 31, 2025 (UA), compared to 26.04x in FY24. RC is also supported by its partners through infusion of funds through body corporates and unsecured loans from promoters, which stood at ~₹26.72 crore as on March 31, 2025 (UA) (~12% of total debt) compared to ~₹25.85 crore as on March 31, 2024.

**Working capital intensive operations**

RC maintains substantial inventory levels to ensure timely service to clients. The firm offers a customer credit period of 0-60 days, while the credit received from TSL is limited to the transit duration of goods from TSL's warehouse to the delivery location. RC typically holds inventory for ~30-40 days, contributing to a working capital intensive business model that depends significantly on bank financing. In FY25 (UA), RC's operating cycle stood at 56 days, deteriorating from 44 days in FY24. In the 12 months ending August 31, 2025, the average peak utilisation of fund-based working capital limits remained moderate, with Channel Finance at ~93% and Cash Credit at ~86%, resulting in an overall utilisation of ~91%.

**Susceptibility of profitability of operation to fluctuations in commodity prices**

RC operates in the metal trading sector, which experiences periodic shifts aligned with broader economic trends. As a result, its financial performance is influenced by changes in commodity prices. The firm sources materials from TSL, with pricing subject to monthly revisions. Procurement decisions are guided by projected demand and internal estimates rather than confirmed customer orders, exposing RC to potential demand-supply mismatches.

**Competitive trading industry**

Steel trading is characterised as a highly competitive, fragmented and cyclical business, which is strongly correlated to economic cycles. The metal trading industry has low entry barriers, with numerous unorganised players, resulting in intense competition.

## **Liquidity**: Adequate

RC's liquidity profile remains adequate, marked by GCA of ~₹7.36 crore in FY25 (UA) against scheduled repayment obligations of ~₹0.17 crore towards vehicle loan in FY26. Promoters continue to provide liquidity support, as evidenced by unsecured loans from promoters and related companies amounting to ~₹26.72 crore as on March 31, 2025 (UA). Average peak utilisation of fund-based working capital limits remained high at ~91% (Channel Finance: ~93%, Cash Credit: ~86%) for the 12 months ended August 31, 2025.

## **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
Financial Ratios – Non financial Sector
Wholesale Trading

## About the company and industry

### Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Services | Services | Commercial services and supplies | Trading and distributors |

RC is the flagship firm of Bihani group and is a distributor for TSL's products in Gujarat, Maharashtra and Telangana. The firm has also started trading in Ferro –alloys products from June 2013. The firm has a steel service centre at Changodar, Ahmedabad for processing (mainly cutting to length) hot rolled and cold rolled coil. In addition, it has warehousing facilities at Taloja and Kalamboli, near Mumbai. RC's products cater to the rural retail market and industrial sectors such as automobile, construction, and switch gears among others.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) | 5MFY26 (UA) |
|---|---|---|---|
| Total operating income | 1578.44 | 1329.80 | 545.72 |
| PBILDT | 28.26 | 27.53 | 10.51 |
| PAT | 6.78 | 6.62 | N.A. |
| Overall gearing (times) | 4.27 | 4.48 | N.A. |
| Interest coverage (times) | 1.35 | 1.36 | 1.38 |

A: Audited UA: Unaudited; N.A.: Not Available; Note: these are latest available financial results

**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 Limits | | - | - | - | 180.00 | CARE BBB-; Stable |

LT; Long term

### 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 | Fund-based - LT-Working Capital Limits | LT | 180.00 | CARE BBB-; Stable | - | 1)CARE BBB-; Stable (22-Aug-24) | 1)CARE BBB-; Stable (05-Mar-24) | 1)CARE BBB-; Stable (06-Jan-23) |

LT: Long 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 Limits | Simple |

**Annexure-5: Lender details**

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|---|
| To view lender-wise details of bank facilities please click here |

**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.

## Contact us

| Media Contact | Analytical Contacts |
|---|---|
| Mradul Mishra<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3596<br>E-mail: mradul.mishra@careedge.in<br><br>**Relationship Contact**<br><br>Ankur Sachdeva<br>Senior Director<br>**CARE Ratings Limited**<br>Phone: 912267543444<br>E-mail: Ankur.sachdeva@careedge.in | Akhil Goyal<br>Director<br>**CARE Ratings Limited**<br>Phone: 022-67543590<br>E-mail: akhil.goyal@careedge.in<br><br>Darshan Shah<br>Assistant Director<br>**CARE Ratings Limited**<br>Phone: 022-67543408<br>E-mail: Darshan.shah@careedge.in<br><br>Rajdeep Jain<br>Analyst<br>**CARE Ratings Limited**<br>E-mail: Rajdeep.jain@careedge.in |

**About us:**

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