Remi Edelstahl Tubulars Limited

January 12, 2026

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	15.00	CARE BB+; Stable	Reaffirmed
Short Term Bank Facilities	31.16	CARE A4+	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Remi Edelstahl Tubulars Limited (RETL) is constrained by moderate scale of operations yet improved in FY25 (FY refers to the period from April 01 to Match 31) coupled with thin profitability, working capital intensive nature of operations, increased supplier concentration risk, and susceptibility to fluctuation in raw material prices. The ratings, however, derive strength from extensive experience of promoters in the industry, long association with reputed clientele, and comfortable capital structure and debt coverage indicators.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Volume based growth in Total Operating Income (TOI) to more than Rs.200 crore with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 7% on sustained basis
- Improvement in working capital cycle below 100 days on sustained basis
- Improvement in total debt to gross cash accruals below 3x on a sustained basis

Negative factors:

- Decline in TOI below Rs.125 crore and PBILDT below 5% on sustained basis
- Any un-envisaged debt funded capex leading to deterioration in overall gearing above unity.
- Repayment of preference shares via external debt; leading to deterioration in capital structure.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectations that company shall continue to benefit from its experience of the promoters and established relationship with reputed clientele.

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operation accompanied with moderate profitability; albeit improvement in profitability metrics witnessed during FY25

The company's operations remained moderate, with total operating income (TOI) increasing by 18.34% to ₹138.67 crore in FY25 compared to FY24. This growth was driven by higher customer demand, reflected in a 25% year-on-year increase in volumes and higher scrap sales, although sales realisation declined by ~5% in FY25. RETL's operating profitability remained stable, with PBILDT margin in the range of 4-6% over the last three years and improved to 5.97% in FY25 (FY24: 5.34%) due to lower cost of traded goods. Profit after tax (PAT) margin also improved to 1.93% in FY25 (FY24: 1.18%), supported by better operating margins and reduced interest costs. In H1FY26, TOI increased to ₹60.94 crore from ₹55.11 crore in H1FY25, led by higher execution. PBILDT margin moderated slightly to 6.66% from 7.09% in H1FY25 due to higher overhead costs. The company holds an order book of ~₹148 crore as on December 30, 2025, to be executed by October 2026, ensuring short-term revenue visibility. Going forward, the company's ability to scale up of operations along with improvement in profitability will remain a key monitorable.

High supplier concentration and susceptibility to fluctuation in raw material price

RETL primarily sources raw materials from Jindal Stainless Limited, resulting in significant supplier concentration risk. The company has limited bargaining power with these large suppliers. In FY25, the top 10 suppliers accounted for 87.17% of total purchases, up from 61.19% in FY24. Raw material costs form a major component of total sales cost; hence, any price volatility can significantly impact profitability margins. However, RETLs inventory are order-backed which insulates it to a certain extend from raw-material price fluctuations.

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

Working capital intensive nature of operations with improved cycle
The company's operations continue to be working capital intensive, with the cycle at 128 days in FY25, though improved from 163 days in FY24. The cycle remains high primarily due to average inventory holding of 79 days, which improved from 99 days in FY24. Receivable days stood at 61 in FY25, indicating moderate collection efficiency. Creditor days reduced to 13 (FY24: 19), reflecting faster payments to suppliers. Apart from working capital borrowings and non-fund-based limits, the company relies on unsecured loans from promoters to meet its working capital needs.

Key strengths

Association with reputed clientele despite concentration in revenue
RETL maintains a reputed and diversified client base across sectors, including Larsen & Toubro Limited, Indian Oil Corporation Limited, and Bharat Heavy Electricals Limited (BHEL), supported by long-standing relationships. However, revenue concentration remains high, with the top 10 customers contributing 86.89% of total operating income (TOI) in FY25 and a single customer accounting for 22.46%, exposing the company to concentration risk. The strong credit profile of these clients partially mitigates the risk of delayed payments or defaults. CareEdge Ratings expects customer concentration to remain high in the near term, given the current orderbook.

Comfortable capital structure and debt coverage indicators
The company's total debt including LC acceptance stood at Rs. 18.49 crore as on March 31, 2025, reduced from Rs. 30.73 crore as on March 31, 2024. Considering nature of preference share capital, CareEdge Ratings', as per policy, has considered it as debt. It has modest net worth base, which stood at Rs.45.99 crore as on March 31, 2025 (PY: Rs. 43.45 crore). The total outside liabilities to net worth stood low at 0.65x as on March 31, 2025 (0.94x as on March 31, 2023). Owing to improvement in profitability in FY25, the debt coverage indicators of the company, improved, marked by total debt to profit before interest, lease rentals, depreciation and taxes (PBILDT) of 5.97x during FY25 (PY:5.38x). Interest coverage ratio stood comfortable at 5.01x during FY25 (PY:3.12x). Going forward, improvement in profitability coupled with stable debt level as envisaged by the company remains a key monitorable.
The company is in the process of incurring capex of around Rs. 30 crores for which it has raised capital to the tune of ~Rs. 21 crores through preferential issue. The balance is to be funded by internal accruals or unsecured loans from promoters. Therefore, going forward, in absence of any debt raising plans coupled with increase in net worth, the company's capital structure is likely to remain comfortable.

Liquidity: Adequate

The company's liquidity position is adequate marked by positive cash flow from operations of ₹22.95 crores mainly on account of realization from debtors' receivables. Its unencumbered cash and bank balance remained low at ₹0.04 crore as of March 31, 2025. However, cash accruals are expected remain moderate in the range of Rs. 4 to 8 crores in FY26 with no debt repayment obligation. Additionally, current and quick ratio were satisfactory of 2.54x (P.Y. 2.12x) and 1.11x (P.Y. 1.13x) as of March 31, 2025, respectively. Furthermore, the bank limits of Rs. 15.00 crore were utilized at around 7.61% over the past 12 months ending September 2025 and the entity has also availed non-fund-based limits of Rs.30.75 crore with average utilisation of 57.74% during last 12 months ended September 2025. Moreover, to fund the working capital requirement the company relies on unsecured loans from promoters.

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
Short Term Instruments
Iron & Steel

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Iron & Steel Products

Remi Edelstahl Tubulars Limited (RETL), formerly known as Rajendra Mechanical Industries Limited, was incorporated in August 1970 under the Companies Act, 1956. The company is listed on the Bombay Stock Exchange since 1985. RETL's manufacturing facilities are in MIDC, Tarapur, Dist. Palghar, Maharashtra. The company produces stainless steel welded and seamless pipes and tubes, adhering to international American Society for Testing and Materials (ASTM standards), with a current installed capacity of approximately 10,445 metric tonnes per annum. The company's products are primarily used in industrial applications, serving clients such as refineries, petrochemical plants, thermal and nuclear power plant manufacturers, water treatment plants, and various other industries including paper, pharmaceutical, sugar, and chemical sectors.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	117.18	138.67	60.94
PBILDT	6.25	8.28	4.06
Profit after tax (PAT)	1.39	2.67	1.24
Overall gearing (x)	0.71	0.40	0.66
Interest coverage (x)	3.09	5.01	6.66

A: Audited UA: Unaudited; 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-Cash Credit		-	-	-	15.00	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	20.00	CARE A4+
Non-fund-based - ST-Forward Contract		-	-	-	0.41	CARE A4+
Non-fund-based - ST-Letter of credit		-	-	-	10.75	CARE A4+

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-Cash Credit	LT	15.00	CARE BB+; Stable	-	1)CARE BB+; Stable (06-Mar-25)	-	-
2	Non-fund-based - ST-Letter of credit	ST	10.75	CARE A4+	-	1)CARE A4+ (06-Mar-25)	-	-
3	Non-fund-based - ST-Bank Guarantee	ST	20.00	CARE A4+	-	1)CARE A4+ (06-Mar-25)	-	-
4	Non-fund-based - ST-Forward Contract	ST	0.41	CARE A4+	-	1)CARE A4+ (06-Mar-25)	-	-

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-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Forward Contract	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated: Not applicable

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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About us:

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