Rajputana Industries Limited (Revised)

January 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	-	-	Reaffirmed at CARE BBB+; Stable / CARE A3+ and Withdrawn
Long-term bank facilities	-	-	Reaffirmed at CARE BBB+; Stable and Withdrawn
Short-term bank facilities	-	-	Reaffirmed at CARE A3+ and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BBB+; Stable/CARE A3+' assigned to bank facilities of Rajputana Industries Limited (RIL) with immediate effect. This action has been taken at the request of RIL and 'No Objection Certificate' received from the bank(s) that have extended the facilities rated by CareEdge Ratings.

Ratings prior to its withdrawal continued to derive strength from strong operational and financial linkages with its parent, Shera Energy Limited (SEL), vast experience of its promoter and the group's long track record of operations in the metal industry and its diversified product portfolio. Ratings also factor in volume-driven growth in scale of operations and adequate liquidity of the company, further aided by receipt of IPO proceeds in H1FY25 (FY refers to April 01 and March 31). Ratings also factor in the expected benefits from the ongoing capital expenditure on product diversification.
However, these rating strengths, are partially offset by RIL's moderate profitability which is further susceptible to volatility in input prices, its moderate financial risk profile and prevalent competition in the non-ferrous metal industry.

Analytical approach: Standalone, factoring in linkages with the parent company, SEL.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that RIL will continue to benefit from it being a part of the Shera group and its established relationship with different clientele. Expansion of product portfolio shall support growth in its scale of operations going forward.

Detailed description of key rating drivers:

Key strengths

Part of Shera group having an established track record of operations with diversified product portfolio

RIL is a subsidiary of SEL, collectively referred to Shera group, which was promoted by Sheikh Nassem, who has over two decades' experience in the non-ferrous metal industry. RIL specialises in the scrap recycling of non-ferrous metals, such as copper, aluminium, and brass. RIL is engaged in manufacturing copper, aluminium and brass extruded and drawn products such as billets/ingots, tubes/pipes, hollow/solid rods, sections and profiles among others.
Though initially, it sold majority output to group companies, the portion of third-party sales has increased from FY24 onwards. RIL benefits from it being a part of Shera group and its established relationship with different clientele.

Continuous increase in capacity utilisations leading to volume driven growth in TOI

RIL's TOI grew at a compound annual growth rate (CAGR) of 24.42% over the last five years, ending FY25 (Standalone). In FY25, RIL's TOI grew by 69% year-over-year (y-o-y) to ₹552.41 crore (PY: ₹326.52 crore), driven by growth in sales volumes FY25.
In 6MFY26 (provisional), RIL reported a TOI of ₹333.02 crore, compared to ₹257.77 crore in 6MFY25, supported by higher sales volume and increase in sales realisation.

Expansion of value-added product portfolio, despite healthy off-take from same shall remain key monitorable

RIL has set up a plant to manufacture nickel-based alloys, copper cables and wires, and aluminium conductors with an installed capacity of ~2700 MTPA. The total cost of the capex (including installation of rooftop solar) was estimated at ₹23.15 crore which is downsized to ₹20 crore owing to savings in procurement of machineries, to be funded through a mix of debt and internal accruals. Till March 31, 2025, the company has incurred cost of ~₹14.91 crore. However, CareEdge Ratings takes note of time

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

overrun of around three months in commencement of the operations owing to delay in delivery of annealing and drawing machine. Scaling up of operations, and achievement of envisaged TOI and profitability and effective management of incremental working capital requirements, will be key monitorable from the credit perspective

Key weaknesses

Low value-added products leading to moderate profitability

RIL's PBILDT margin have ranged from 3.30% to 5.40% over the last five years, influenced by raw material price fluctuations and product mix changes.
In FY25, the PBILDT margin decline to 3.29% from 5.39% in FY24 as the company offered cash discounts to boost sales volume, gain market share and reduce its reliance on bank borrowings for working capital requirements. The profit after tax (PAT) margin remained stable at 1.50% in FY25, (FY24: 1.57%), due to reduced interest costs.

Improving financial risk profile, despite continues to remain moderate

RIL's financial risk profile has improved over the last four years, with overall gearing reducing from 2.03x at FY22-end to 1.46x at FY25-end.
RIL's net worth has increased in FY25 (FY24: 32.58 crore), following receipt of IPO proceeds of ~₹23.88 crore in August 2024. This capital raise has strengthened the company's overall gearing and total outside liabilities to tangible net worth (TOL/TNW). However, with an expected increase in working capital intensity, leverage is expected to remain moderate in the projected period. Debt coverage indicators improved, with PBILDT interest coverage at 3.64x and total debt to gross cash accruals (TD/GCA) at 7.86x in FY25 owing to moderate profitability and GCA levels. The interest coverage ratio moderated to 3.22x in 6MFY26 (6MFY25: 3.63x) due to increase interest expenses.

Profitability vulnerable to raw material price volatility

RIL's profitability is exposed to sharp fluctuations in raw material prices (mainly copper), which forms ~95-96% of the company's total cost of sales. SEL at a group level procures inventory on a back-to-back basis against confirmed order of the customers. As RIL has a longer production time and hence maintains an inventory of ~80-90 days, a portion of which is not order-backed.

Presence in fragmented and competitive industry with low bargaining power

RIL operates in a highly competitive and fragmented winding wire / conductor industry characterised by the presence of numerous organised and unorganised players, given the low technical expertise requirement and value addition in manufacturing winding wires / rods and ingots. Due to intense competition in the industry, the bargaining power of the group remains low.

Liquidity: Adequate

RIL's liquidity remained adequate characterised by healthy cash flow from operations, moderate cushion available in cash accruals against term loan repayment obligations and its modest capex requirements. Liquidity of the company is partly aided by receipt of IPO proceed in H1FY25 supporting the company's incremental working capital requirement and capex plans.
Average utilisation of fund-based limits and non-fund-based limits remained moderate at 62% and 82%, respectively, for the trailing 12 months ended March 2025. Access to RXIL and bill discounting facility helps the company to bridge the gap in working capital requirement.
The company's operating cycle remained satisfactory 36 days owing to adequate funding support from the creditors in FY25. GCA in the projected period shall be adequate to fund the debt repayment obligation, which is expected to remain in the range of ₹8.50 crore - ₹9.25 crore in FY26-FY27. RIL has free cash and bank balance of ₹0.06 crore as on March 31, 2025, apart from lien marked FD's of ₹2.42 crore.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Non Ferrous Metal
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Cables - electricals

Incorporated in 2011, RIL is a subsidiary of Jaipur-based 'Shera Energy Limited' (SEL). In August 2024, the company got listed on National Stock Exchange (NSE) SME platform. As on September 30, 2025, SEL hold 51.01% stake in RIL.

RIL specialises in the scrap recycling of non-ferrous metals, such as copper, aluminium, and brass. RIPL is engaged in manufacturing copper, aluminium and brass extruded and drawn products such as billets/ingots, mother shells, tubes/pipes, hollow/solid rods, sections and profiles among others. RIL's manufacturing facility in Sikar, Rajasthan having an installed capacity of 13,150 MTPA as on March 31, 2025, enhanced from 11,260 MTPA as on September 30, 2024.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	326.52	552.41	333.02
PBILDT*	17.59	18.20	12.94
Profit after tax (PAT)	5.13	8.27	5.41
Overall gearing (x)	1.82	1.46	1.33
Interest coverage (x)	2.02	3.64	3.22

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	01/01/2027	0.00	Withdrawn
Fund-based - LT/ ST-Cash Credit		-	-	-	0.00	Withdrawn
Fund-based - ST-Bank Overdraft		-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	0.00	Withdrawn
Non-fund-based - ST-Credit Exposure Limit		-	-	-	0.00	Withdrawn
Non-fund-based - ST-Letter of credit		-	-	-	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	Fund-based - LT-Term Loan	LT	-	-	1)CARE BBB+; Stable (08-Jan-26) 2)CARE BBB+; Stable (29-May-25)	1)CARE BBB+; Stable (24-Jan-25)	-	-
2	Fund-based - ST-Bank Overdraft	ST	-	-	1) CARE A3+ (08-Jan-26) 2) CARE A3+ (29-May-25)	1)CARE A3+ (24-Jan-25)	-	-
3	Non-fund-based - ST-Letter of credit	ST	-	-	1) CARE A3+ (08-Jan-26) 2) CARE A3+ (29-May-25)	1)CARE A3+ (24-Jan-25)	-	-
4	Fund-based - LT/ ST-Cash Credit	LT/ST	-	-	1)CARE BBB+; Stable / CARE A3+ (08-Jan-26) 2) CARE BBB+; Stable / CARE A3+ (29-May-25)	1)CARE BBB+; Stable / CARE A3+ (24-Jan-25)	-	-
5	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	1)CARE BBB+; Stable / CARE A3+ (08-Jan-26) 2) CARE BBB+; Stable / CARE A3+ (29-May-25)	1)CARE BBB+; Stable / CARE A3+ (24-Jan-25)	-	-
6	Non-fund-based - ST-Credit Exposure Limit	ST	-	-	1) CARE A3+ (08-Jan-26) 2) CARE A3+ (29-May-25)	1)CARE A3+ (24-Jan-25)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/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-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Fund-based - ST-Bank Overdraft	Simple
4	Non-fund-based - LT/ ST-Bank Guarantee	Simple
5	Non-fund-based - ST-Credit Exposure Limit	Simple
6	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

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.

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