

## Revent Metalcast Limited

January 29, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term / Short-term bank facilities	-	-	Downgraded at CARE BB; Stable / CARE A4 and withdrawn

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has downgraded the outstanding ratings to 'CARE BB; Stable/ CARE A4' from 'CARE BB+; Stable/ CARE A4+' assigned to bank facilities of Revent Metalcast Limited (RML) on account of continuous weak operating losses and financial performance during FY25 (refers to period April 01 to March 31) and H1FY26 (refers to period April 01 to September 30) marked by continued moderation in financial risk profile as characterised by sustained operating losses over the past 3 years on account of longer than envisaged time taken for turnaround of operations post the new management taken over in FY22.

Subsequently, the ratings have been withdrawn with immediate effect. This action has been taken at the request of RML and 'No Objection Certificate' received from the bank(s) that have extended the facilities rated by CareEdge Ratings.

**Analytical approach:** Standalone

### Outlook: Stable

The stable outlook indicates that RML is likely to sustain its financial risk profile, backed ongoing support from its resourceful promoters, despite low operating profitability in the past and a gradual expansion in the scale of operations.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Limited track record post recent change in management

As DVI took over RMCL in January 2022, there is a short track record post change in the promoters and the ability of the new management to turnaround operational performance of the company on a sustained basis remains to be seen. The company has shown total operating income at ₹299.47 crore in FY25 as against ₹293.67 crore in FY24. Further, the total operating income (TOI) remained low at ₹151.71 crore during H1FY26, while the company has incurred sustained cash losses on account of longer than envisaged time taken for turnaround of operations post the new management came in FY22.

##### Weak operating and financial performance in FY25 and H1FY26

TOI of the company has remained muted in FY25 and H1FY26 as the company has discontinued the supplies to some customers as well as some of old models which has a lower contribution margin. Further, RML has continued to report negative cash accruals since the change in management. In FY25, the company reported a negative EBITDA of Rs. 6.66 crore and a negative cash accruals of ₹3.88 crore as against negative EBITDA of Rs. 8.53 crore and negative cash accruals of Rs. 8.58 crore in FY24. Going forward, total revenue is expected to remain flat in FY26 while operating losses to continue.

##### Exposure to cyclical demand in automobile industry

The automotive industry is subject to cyclical variations in performance and is very sensitive to various policy changes. The company's performance remains closely aligned to the performance of key customers and in-turn is exposed to cyclical demand patterns inherent to the automobile industry and ability of the original equipment manufacturers (OEMs) to sustain their operating performance. Demand for vehicles in the Indian market is subject to seasonal variations. Demand is generally lean during the first quarter of the financial year and starts increasing with the onset of the festive season from September onwards. Typically, the fourth quarter is the best quarter for automobile companies. Seasonality in most other markets is driven by the introduction of new model year vehicles and derivatives.

##### Input price fluctuation risk

The company's profitability margins are exposed to fluctuations in input prices, including raw materials, fuel, and freight costs, in line with industry trends. Scrap, the major raw material, is sourced from traders in India, and the company utilizes its sanctioned letter of credit (LC) limits for procurement. The company's ability to protect its margins through price negotiations with customers or operational efficiencies will be crucial in the current inflationary environment.

<sup>1</sup> Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications

## Key strengths

### Resourceful investor with substantial financial support

RMCL had been acquired by Hudson Bay a 100% subsidiary of (DVI under the insolvency proceedings. Promoted by Vinit Bodas in November 2004, DVI is a USA-based hedge fund which manages funds aggregating USD 3.7 billion across the USA, France, Italy, India and Vietnam. DVI USA holds around 94.74% stake in RMCL and has infused funds of ₹268 crore through NCDs. Going forward, need-based financial support is expected to come from the promoters for the capital expenditure (capex) and other business requirements of RMCL.

### Reputed clientele; but customer concentration

RML had an established and long-standing relationship with its clients over the years. However, the same was impacted as the company entered Corporate Insolvency Resolution Process (CIRP). Sales from top 10 customers remained concentrated at around 85.89% in FY25 as against 85.15% in FY24 with around 85.27% till October 2025.

### Average Capital Structure

The company's capital structure has moderated in FY25 with overall gearing as 0.28x as against 0.06x in FY24. Further, RML's scheduled debt repayments commencing from FY26 onwards are expected to be met partly through its cash accruals and balance by available cash balance which is available with the company.

### Liquidity: Stretched

RMCL's liquidity profile remains stretched, marked by continued negative cash flow from operations over the past two fiscal years. The company reported negative cash flow from operations of ₹15.55 crore in FY25 (FY24: ₹34.01 crore). Going forward, RMCL has scheduled term loan repayments of ₹5.53 crore in FY26 and ₹6.64 crore in FY27. These repayments are expected to be supported by timely equity infusion from the parent company, DVI, and partly by cash accruals to be generated from the solar power plant. Further, as on September 30, 2025, the company had free cash and bank balances of ₹20.61 crore, including investments in mutual funds, which provides liquidity cushion.

**Assumptions/Covenants:** Not applicable

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

## Applicable criteria

[Policy on Withdrawal of ratings](#)

[Criteria on assigning Outlook to Credit Rating](#)

[Criteria for Short Term Instruments](#)

[CARE's default recognition policy](#)

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

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Auto Components and equipment](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Automobile and Auto components	Auto Components	Auto components and Equipment's

RML is engaged in manufacturing of various machined and casting components range from engine, transmission, flywheel, stem comp steering, crown wheel pinions, forks etc. The company caters to OEMs in diverse segments including passenger vehicles, commercial vehicles, tractors, two-wheelers and three-wheelers. The company has 2 operational manufacturing facilities across Bhiwandi. It went into CIRP vide order dated December 20, 2017 passed by the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench. The CIRP culminated into the approval of resolution plan submitted by DVI USA by the NCLT vide Order dated July 09, 2020. Subsequently, the resolution plan was implemented on January 21, 2022. Post-acquisition by DVI USA, name of the company has changed to Revent Metalcast Limited from Castex Technologies Limited w.e.f November 03, 2022.

Brief Financials (₹ crore) - Standalone	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total Operating Income	293.67	299.47	151.71
PBILDT	-8.53	-6.66	-9.87
PAT	-143.15	-26.75	-20.78
Overall Gearing (times)	0.06	0.28	NM
Interest coverage (times)	NM	NM	NM

A: Audited UA: Unaudited; Not Meaningful; 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 (DDMM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund based - LT/ ST-Bill Discounting / Bill Purchasing		-	-	-	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/ ST-Bill Discounting / Bill Purchasing	LT/ST	-	-	1) CARE BB; Stable/CARE A4 (January 29, 2026)	1) CARE BB+/Stable/CARE A4+ (April 8, 2025)	1)CARE BBB-; Stable / CARE A3 (05-Feb24)	1)CARE BBB-; Stable / CARE A3 (20-Dec22)

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/ ST- Bill Discounting / Bill Purchasing	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](mailto:care@careedge.in) for clarifications.

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