

R L J Concast Private Limited

March 19, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	48.50 (Reduced from 49.87)	CARE BB-; Stable	Upgraded from CARE B+; Stable
Long Term / Short Term Bank Facilities	44.30 (Reduced from 45.13)	CARE BB-; Stable / CARE A4	LT rating upgraded from CARE B+; Stable and ST rating reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade of the long-term rating assigned to the bank facilities of RLJ Concast Private Limited (RLJ) factors in growing scale of operations in FY25 (refers to the period from April 01, 2024 to March 31, 2025) and 9MFY26 (refers to the period from April 01, 2025 to December 31, 2025), stable profitability margins, comfortable financial risk profile marked by low overall gearing and healthy debt coverage indicators, and experienced management. However, the ratings remain constrained by sizeable debt-funded capex pertaining to capacity expansion, stretched liquidity position as reflected by nearly full utilization of working capital borrowings, susceptibility of margins to volatility in raw material prices and presence in a highly competitive and cyclical steel industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in liquidity position with lower utilisation of working capital borrowings.
- Growth in scale of operations with PBILDT margin above 6% on a sustained basis.

Negative factors

- Any incremental borrowing by the company leading to deterioration in overall gearing above 3.00x on a sustained basis.
- Decline in scale of operations to below Rs 120 crore with PBILDT margin below 4% on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The stable outlook assigned to RLJ factors in Care Rating's expectations that it will continue to benefit from the experienced promoters.

Detailed description of key rating drivers:

Key weaknesses

Stretched liquidity

The liquidity position of the company remains stretched as reflected by high utilization of ~96% of working capital borrowings for trailing 12 months ended December 31, 2025. Further, RLJ had low cash and bank balance of Rs.0.96 crore as on December 31, 2025.

Ongoing large size debt funded capex

To meet the growing demand, the company had planned a capital expenditure of Rs 63.28 crores to increase the capacity of sponge iron from 60,000 MTPA (Metric tonne per annum) (currently) to 90,000 MTPA and billers from 28,800 MTPA to 43,200 MTPA. The aforementioned capex is to be funded via term loan (Rs 42.69 crore), unsecured loans from promoters (Rs 8.53 crores) and internal cash accruals (Rs.12.06 crore). There has been a slight delay in the planned capex as the originally anticipated timelines for commissioning and trial runs are taking longer than expected. The project is now expected to be completed by April 2026 which was planned to be completed by October 2025 as per the last rating exercise. Timely completion of the aforementioned capex would remain a key monitorable.

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

Susceptibility of margins to volatility in raw material prices

The company remains susceptible to volatility in prices of sponge iron and billets for finished goods and raw material. Iron ore and coal, the primary raw materials and their prices are inherently volatile. Consequently, the company's cost base remains exposed to adverse price fluctuations in these raw materials. Raw materials procured at prevailing market prices expose the company to market price volatility.

Presence in a highly competitive and cyclical industry

Sponge iron and billets are used in various industries such as manufacturing of TMT bars, with construction and infrastructure industries being the largest demand segment. Demand is largely linked to demand in the construction and infrastructure (mainly real estate) segment that closely follows the macroeconomics cycle and is therefore cyclical in nature. There are numerous small and unorganised players in the iron and steel industry and low entry barriers and low product differentiation due to minimal technological inputs and availability of standardised machinery for production. Due to low value addition, presence in the lower segment of the value chain and fragmented industry structure, profitability of players engaged in this industry is inherently thin.

Key strengths

Growing scale of operations

The total operating income of the company grew to ₹216.80 crore in FY25 (PY: Rs. 190.45 crore). The company reported TOI of ₹139.73 crore in 9MFY26. The scale of operations grew due to improvement in customer demand with higher volume intake. RLJC's profitability margin remained stable at 6%-7% over the past three years ending FY25.

Experienced management with funding support from promoters

The company is promoted by Arun Kumar Jain, with diverse business experience across various industry segments, including food processing, polybags and iron and steel manufacturing, specifically billets and ingots. The company's Managing Director, Gopichand Agrawal, has over 12 years of experience in related industries. The promoters are supported by a team of professionals that oversee the day-to-day operations of the company. The promoters have also consistently supported the company in form of unsecured loans and have infused Rs 2.01 crore as on December 31, 2025 for the ongoing capex.

Comfortable financial risk profile

The financial risk profile of the company remained comfortable with overall gearing of 1.09x as on March 31, 2025 (PY: 0.85x). Further, the overall gearing stood at 1.35x as on December 31, 2025. The debt coverage indicators stood healthy with profit before interest, lease rentals, depreciation, and taxation (PBILDT) interest coverage of 4.26x in FY25 (PY: 3.58x).

Comfortable operating cycle

The company's operating cycle stood comfortable at 18 days (PY:19 days). The company has low debtor days as it does not sell on credit. The company has long standing relationship with clients and either gets paid beforehand or upon delivery so debtor days remain negligible. Creditor days, as the company sources from outside, remain at 15-25 days with 24 days in FY25 (PY:19 days). Inventory days are high as the company procures bulk orders considering freight cost and stood at 39 days in FY25 (PY:36 days).

Liquidity: Stretched

The liquidity position of the company remains stretched by utilisation of ~96% of working capital borrowings in the trailing 12 months ending January 31, 2025. Further, RLJ had low cash and bank balance of Rs. 0.96 crore as on December 31, 2025. The company is not planning to incur any capex in the near to medium term.

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](#)

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About the company and industry

Industry classification

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

R L J Concast Private Limited (RLJC), headquartered in Kolkata, West Bengal, was incorporated on March 20, 2008. Promoted by Mr. Arun Kumar Jain, RLJC is engaged in the manufacturing of sponge iron and ingots/billets from iron ore and operates a captive

power plant 6 MW and the company has an installed capacity of 60,000 MT for sponge iron and 28,800 MT for ingots/billets. RLJC's manufacturing facilities are located in Village Baragaon, Mirzapur, Uttar Pradesh.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	190.45	216.80	139.73
PBILDT*	12.57	12.33	8.61
Profit after tax (PAT)	4.98	5.90	4.78
Overall gearing (x)	0.85	1.09	1.35
Interest coverage (x)	3.58	4.26	5.70

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Brickwork and ICRA have reaffirmed the ratings assigned to the bank facilities of R L J Concast Pvt Ltd under Issuer not cooperating (INC) category vide their press release dated April 17, 2025 and January 28, 2026 respectively on account of their inability to carry out review in the absence of requisite information from the company.

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
Fund-based - LT-Term Loan		-	-	September ,2032	33.50	CARE BB-; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	44.30	CARE BB-; Stable / 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	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	44.30	CARE BB-; Stable / CARE A4	1)CARE B+; Stable / CARE A4 (29-Apr-25)	-	-	-
2	Fund-based - LT-Cash Credit	LT	15.00	CARE BB-; Stable	1)CARE B+; Stable (29-Apr-25)	-	-	-
3	Fund-based - LT-Term Loan	LT	33.50	CARE BB-; Stable	1)CARE B+; Stable (29-Apr-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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	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.

Contact us

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