

Rathi Bars Limited

April 14, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|---------------------------|------------------|--|---|
| Long-term bank facilities | 83.00 | CARE B-; Stable; ISSUER NOT COOPERATING* | Downgraded from CARE BBB; Stable and moved to ISSUER NOT COOPERATING category |

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

List of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Rathi Bars Limited (RBL) to monitor the rating through e-mail communications/letters dated April 13, 2026, April 11, 2026, and April 09, 2026, and numerous phone calls. However, despite repeated requests, the company has not provided the requisite information and management discussion for monitoring the rating. In line with Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which however, in its opinion, is not sufficient to arrive at a fair rating. The rating on RBL's bank facilities is now denoted as **CARE B-; Stable; ISSUER NOT COOPERATING**. The rating has been revised considering non-availability of requisite information because of non-cooperation by RBL. CareEdge Ratings views information availability risk as a key factor in its assessment of credit risk.

Users of this rating (including investors, lenders, and public at large) are hence requested to exercise caution while using above rating.

The rating has been revised considering the non-availability of requisite information because of non-cooperation by RBL with CareEdge Ratings' efforts to undertake a review of the outstanding ratings. CareEdge Ratings views information availability risk as a key factor in its assessment of credit risk. The revision also factors in temporary suspension of plant operations due to Income-tax search proceedings, invocation of Graded Response Action Plan (GRAP) – Stage IV restrictions, suo-moto amendment of the consent to operate (CTO) by the Rajasthan State Pollution Control Board (RSPCB) and ~25% increase in power tariffs imposed by Jaipur Vidyut Vitran Nigam Limited (JVNL), significantly impacting operating costs. The management is taking steps for resumption of operations, as intimated by the company to stock exchange. However, the timeline for resumption of plant operation remains uncertain. The rating continues to remain constrained by thin profitability margins, working capital intensive operations, exposure to finished goods and raw material price volatility, and highly competitive and cyclical steel industry. However, the rating continues to derive strength from the promoters' extensive experience, the company's long operational track record, established brand name, wide selling and distribution network with moderate operational performance in 9MFY26 (from April 01 to December 31), and moderate financial risk profile.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CareEdge Ratings' opinion that RBL shall continue to benefit from its experienced promoters and established brand name 'Rathi'.

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

Detailed description of key rating drivers: At the time of last rating on June 13, 2025, the following were the rating strengths and weaknesses (updated based on the partial information available):

Key weaknesses

Temporary suspension of plant operations

Per the disclosure submitted to the stock exchange dated April 10, 2026, RBL has temporarily suspended its manufacturing operations, owing to Income-tax search proceedings initiated on December 15, 2025, invocation of GRAP Stage IV restrictions in the National Capital Region (NCR) by the Commission for Air Quality Management, suo-moto amendment of the Consent to Operate by the RSPCB vide order dated January 16, 2026 and due to ~25% increase in power tariffs imposed by JVVNL, significantly impacting operating costs. The management is taking steps for resumption of operations; however, the timeline for resumption of plant operation remains uncertain.

Thin profitability margins though remain sustained

The company's operating margins is sustained though remained thin, ranging from 2.34% to 3.66% over FY21- FY25 due to intense competition within the industry and volatility in the raw material prices (which accounts for ~92.64% total cost in FY25). However, the company can pass on the change in input cost partially to its customers. The operating margin also remained low due to modest product differentiation and limited value addition in manufacturing TMT bars. In FY25, RBL reported profit before interest, lease rentals, depreciation, and taxation (PBILDT) and profit after tax (PAT) margin of 2.69% (PY: 2.34%) and 0.52% (PY: 0.58%), respectively. In 9MFY26 (Unaudited), the company has achieved PBILDT and PAT margins of 2.92% and 0.72%, respectively.

Working capital intensive operations

RBL's operating cycle remains elongated at 67 days in FY25 (PY: 49 days). The company largely procures raw material such as ingots and billets mainly from suppliers based in Haryana, Rajasthan, and Odisha, which provides an average credit period of 0-30 days. As such, average creditors' period stood at 6 days in FY25 (PY: 6 days). The company provides credit period of ~45-60 days to its customers, resulting in an average collection of 63 days in FY25 increased from 45 days in FY24. The top 10 customers contributed ~65.60% of the company's total operating income (TOI) in FY25 (PY: 56.86%). RBL maintains inventory of ~15-30 days, reflected average inventory holding period of 11 days in FY25 (PY: 10 days).

Highly competitive and cyclical industry

The long steel products industry is highly competitive with presence of many small and mid-sized players operating in the industry and a few large-sized and established players. TMT bars in steel product industry are highly cyclical and is affected by factors including global demand and supply, foreign exchange fluctuation and other macro-economic factors. Demand for TMT bars is linked largely to the demand in infrastructure industry, which is cyclical and closely follows the macroeconomic cycle.

Susceptibility of profitability margins to volatility in input prices

The major raw material includes steel ingots, billets and scrap among others, the prices of which are volatile and are linked to market. RBL sources its raw material primarily from manufacturers/traders in Haryana, Rajasthan, and Odisha. The raw material costs constituted ~93% of FY25's TOI; thus, exposing its margins to raw material price volatility. RBL has low bargain power, and the prices are determined per market forces. Going forward, RBL's ability to effectively manage the TMT steel bar price volatility and passing on the increase in input prices shall be a key rating factor.

Dependence on demand from end-user industries

Demand for TMT steel bars is derived from sectors such as real estate, construction, and infrastructure, which are linked to economic cycles. Slowdown in economic activity, or a drop-in investment in infrastructure and housing sectors, could adversely impact operations. Established dealer network and healthy relationships with diverse customers have helped partly mitigate this risk.

Key strengths

Experienced promoters with established track record of operations in steel industry

Incorporated in 1993, RBL is a part of Rathi Group – a well-established brand in regions of Rajasthan, Haryana, and Delhi-NCR, having long track record in the TMT steel products industry. RBL is promoted and managed by Anurag Rathi, having over 25 years' experience in the steel industry and manages the company's overall operations. He is well supported by Uddhav Rathi (son of Anurag Rathi) who has over five years of experience and mainly manages the company's marketing function. With over four decades' experience, the promoter has developed a deep understanding of business dynamics and established strong relationship with customers, suppliers, and dealers/distributors. This extensive network continues to support the business, enabling the company to secure repeat orders from a diverse clientele. The promoter's experience will continue to strengthen the company's market position.

Moderate scale of operations

The company has reported consistent growth in revenue over the last five years, increasing from ₹323.75 crore in FY21 to ₹496.29 crore in FY25 exhibiting a compound annual growth rate (CAGR) of 11.27% considering improved customer demand, although sales realisation has been moderated due to the competitive landscape.

The TOI stood at ₹614.04 crore in FY24, reporting a growth of 27.29% from ₹482.36 crore in FY23, primarily driven by improved demand from customers as indicated by year-over-year (y-o-y) volume growth of 58.01% with sales volume increasing to 115,557 MT in FY24 (PY: 74,202 MT). However, there was a decline in sales realisation to ₹/MT 49,861 in FY24 (PY: ₹/MT 56,927) considering decline in steel prices. The scale moderated to ₹496.29 crore in FY25, owing to volume degrowth of 19.72% and continuous moderation in sales realisations to ₹/MT 48,425. In 9MFY26, the company has achieved TOI of ₹349.06 crore (PY: ₹358.11 crore in 9MFY25).

Satisfactory financial risk profile

RBL is having satisfactory financial risk profile, supported by adequate net worth base of ₹96.49 crore with overall gearing of 0.85x as on March 31, 2025 (PY: 0.71x), supported by steady accretion to reserves. The company's debt profile primarily consists of external debt in the form of working capital and term loans from banks. The PBILD interest coverage ratio stood at 2.06x in FY25 (PY: 2.35x). Going forward, the capital structure and debt coverage indicators are expected to improve considering profit accretion to reserves, repayment of term debt and absence of major debt-funded capital expenditure (capex) plans in near future.

Established brand name and wide marketing network

RBL is engaged in manufacturing TMT bars which are sold under "Rathi" brand name. The brand name is owned by the family trust and has an established presence in the market especially in North India since 1940. The company has established dealers/distributors in Northern India, especially in the regions of Delhi-NCR, Haryana, and Rajasthan.

Liquidity: Poor

The suspension of operations has resulted in a poor liquidity position; however, the company is taking steps towards revival and re-commencement of operations. The company has earned gross cash accruals (GCA) of ~₹10 crore till 9MFY26.

Applicable criteria

[Policy on Default Recognition](#)

[Financial Ratios – Non financial Sector](#)

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

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Manufacturing Companies](#)

[Iron & Steel](#)

About the company and industry

Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|-------------------------|-------------------|----------------|----------------|
| Commodities | Metals and mining | Ferrous metals | Iron and steel |

Incorporated in 1993 and set up by Kamlesh Kumar Rathi, RBL is engaged in manufacturing TMT steel bar of dimensions. Its manufacturing facilities are at Bhiwadi, Alwar (Rajasthan), with installed capacity of 68,500 metric tonnes per annum (MTPA) for billets and 100,000 MTPA for steel bars. The company is promoted by Anurag Rathi (managing director) and Uddhav Rathi (whole-time-director).

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) | 9MFY26 (UA) |
|----------------------------|--------------------|--------------------|---------------|
| Total operating income | 614.04 | 496.29 | 349.06 |
| PBILDT | 14.38 | 13.36 | 10.19 |
| Profit after tax (PAT) | 3.58 | 2.57 | 2.52 |
| Overall gearing (x) | 0.71 | 0.85 | Not available |
| Interest coverage (x) | 2.35 | 2.06 | Not available |

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 | | - | - | - | 75.49 | CARE B-; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT-Term Loan | | - | - | 31/07/2028 | 7.51 | CARE B-; Stable; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; based on best available information.

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 2026-2027 | 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 |
| 1 | Fund-based - LT-Cash Credit | LT | 75.49 | CARE B-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE BBB; Stable (13-Jun-25) | - | - |
| 2 | Fund-based - LT-Term Loan | LT | 7.51 | CARE B-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE BBB; Stable (13-Jun-25) | - | - |

*Issuer did not cooperate; based on best available information.

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-Cash Credit | Simple |
| 2 | Fund-based - LT-Term Loan | Simple |

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of FSRs, and the names of respective FSRs, is being disclosed below:

| Sr. No. | Facilities/Instruments Name | Regulator of the Instruments ² |
|---------|--|--|
| 1. | Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities) | SEBI |
| 2. | Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities) | MCA |
| 3. | Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) * | SEBI |
| 4. | Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) * | SEBI |
| 5. | Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) * | RBI |
| 6. | Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year | RBI |
| 7. | Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year | RBI |
| 8. | Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^ | RBI |
| 9. | External Commercial Borrowings and Other Similar Borrowings | RBI |
| 10. | Certificates of Deposit | RBI |
| 11. | Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs | RBI |
| 12. | Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs | MCA |
| 13. | Inter Corporate Deposits / Loans Extended by Corporates | MCA |
| 14. | Borrowing Programme ~ | - |
| 15. | Issuer Ratings # | - |
| 16. | Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs) | SEBI |
| 17. | Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 18. | Listed Security Receipts | SEBI |
| 19. | Unlisted Security Receipts | RBI |
| 20. | Independent Credit Evaluation (ICE) | RBI |
| 21. | Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs) | RBI |
| 22. | Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)) | SEBI |
| 23. | Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)) | MCA |
| 24. | Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) * | Investor-side regulator such as IRDAI, PFRDA @ |

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Contact us

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| <p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in</p> | <p>Analytical Contacts</p> <p>Puneet Kansal Director CARE Ratings Limited Phone: +91-12-0445 2018 E-mail: puneet.kansal@careedge.in</p> <p>Akhil Kumar Associate Director CARE Ratings Limited Phone: +91-12-0445 1986 E-mail: akhil.kumar@careedge.in</p> <p>Mohit Gupta Lead Analyst CARE Ratings Limited E-mail: mohit.gupta@careedge.in</p> |
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About us:

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