# Renny Strips Limited (Erstwhile Renny Strips Private Limited)

## September 17, 2026

### Rating Action

| | | |
|---|---|---|
| **Total Bank Loan Facilities Rated** | **Rs. 367.00 Crore (Enhanced from Rs. 341.58 Crore)** | **Regulator^** |
| **Long Term Rating** | **IVR A- / Stable (Rating Upgrade)** | **RBI** |
| **Short Term Rating** | **IVR A2+ (Rating Upgrade)** | **RBI** |
| ^Kindly note that for activities or 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. | | |

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

**Note:** *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

### Rationale

Infomerics has upgraded the ratings assigned to the bank facilities of the company, primarily driven by the sustained improvement in its operating performance, characterized by growth in revenues supported by higher production levels, increased sales volumes, and improved realizations from scaffoldings, MS scrap and sponge iron. The improvement in the revenue profile has been accompanied by strengthening in profitability, supported by higher captive consumption, increased contribution from finished and value-added products, and the company's extensive backward and forward integration across billets, HR coils, wire rods, pipes and scaffoldings.

The ratings continue to derive strength from the extensive experience of the promoters and the established track record of the management, supported by a strong professional management team. The ratings are further supported by the company's moderate financial risk profile and efficient working capital management, resulting in a relatively comfortable working capital cycle.

The ratings also factor in the operationalization of the 22 MW solar power plant, which is expected to result in annual cost savings of around Rs. 25 crore. The resultant reduction in power costs is expected to provide further support to the company's operating margins and profitability.

The ratings, however, remain constrained by the company's exposure to volatility in raw material prices, intense competition within the steel industry, and the inherent cyclicality associated with the sector. The company's operating performance and profitability remain susceptible to fluctuations in steel prices, raw material costs and overall industry conditions.

**Outlook: Stable**

The Stable outlook reflects Infomerics' expectation that the company will continue to maintain its operating performance, supported by sustained production levels, healthy sales volumes, increasing contribution from finished and value-added products, and benefits accruing from its integrated operations.

## Analytical Approach

| Approach | Comments |
|---|---|
| Consolidation/ Standalone | Standalone |
| Parent/ Group Support | Not Applicable |

## Key Rating Drivers with Detailed Description

### Strengths

- **Growing revenues with improved profitability**

RSL's operating income grew at a CAGR of 25.88% over FY23-FY26; revenue in FY26 (refers to the period of April 01, 2025, to March 31, 2026) improved by 24.99% due to improvement in production levels and sales volumes coupled with improved realization of scaffoldings, MS Scrap and sponge iron. Profitability of the company strengthened, with EBITDA margin improving to 8.39% in FY26 (from 5.74% in FY25 (refers to the period of April 01, 2024, to March 31, 2025), driven by higher captive consumption, increased production of finished/value-added goods, and full integration across billets, HR coils, wire rods, pipes, and scaffolding. PAT margin also improved to 3.94% in FY26.

The positive momentum continued in Q1FY27, with the company reporting Total Operating Income of Rs 318.40 crore. Profitability further strengthened, with EBITDA margin of 8.83%, PAT margin of 3.94%. This improvement underscores the benefits of an enhanced value-added product mix, export sales and a more efficient cost structure. Additionally, the 22 MW solar power plant operationalized in January 2026 is expected to reduce the energy cost by ~Rs. 25 crore per annum.

- **Extensive experience of the promoters and strong professional team**

Renny Strips Limited (RSL) benefits from the long-standing experience of its promoters in the steel industry. The company was founded by Mr. Dev Raj Gupta, who has over four decades of industry experience. The business is currently led by his son, Mr. Binny Gupta, Chairman and Managing Director, who has more than two decades of experience and oversees the overall operations. He is supported by Mrs. Chetna Gupta, Whole-Time Director, who has over a decade of experience in administration and accounts. In addition, the Board comprises seasoned professionals and independent directors with experience ranging from one to three decades across manufacturing, finance, and corporate governance. The extensive experience of the promoters, combined with a professionally qualified management team, has enabled the company to build strong customer and supplier relationships and strengthen its operational capabilities.

- **Moderate financial risk profile**

The financial risk profile of RSL remains healthy, supported by a moderate capital structure and stable debt protection metrics. The company undertook a capex of ~ Rs. 120 crore in FY26 (Prov.) for installation of captive 22 MW solar power plant, largely funded through debt, which led to a marginal weakening of its leverage indicators. Overall gearing and TOL/TNW (based on net worth adjusted for quasi equity) increased from 2.08x and 2.68x respectively as on March 31, 2025, to 2.45x and 3.14x respectively as on March 31, 2026; however, these levels remain within a moderate range. The promoters continue to support the company through regular infusion of unsecured loans, which are subordinated to bank borrowings, thereby providing quasi-equity support and helping maintain a comfortable adjusted net worth base. As on March 31, 2026, the promoters infused an additional Rs 11.48 crore, where the total outstanding subordinated unsecured loans remains at Rs 47.00 crore. Debt protection metrics remained healthy, with the interest coverage ratio improving to 3.41x in FY26 (Prov.) (from 2.63x in FY25) and Total Debt/GCA strengthening to 6.54x in FY26 (Prov.) (from 8.48x in FY25), reflecting better operating profitability and cash generation. The financial risk profile is further supported by expected improved profitability, which will strengthen the coverage metrics going forward, especially with the anticipated cost savings from the solar power project.

- **Efficient working capital cycle**

The company's working capital cycle remains efficient, although it moderated in FY26 due to the expansion of operations. The operating cycle increased to 74 days in FY26 (Prov.) (from 59 days in FY25), primarily on account of higher inventory holding requirements following the growing demand of the pipe mill and scaffolding unit under the Infra Division. RSL continued to maintain average inventory of around 68 days across multiple grades and varieties to ensure uninterrupted production. The company typically extends 7-35 days of credit to its customers and receives around 10 days of credit from suppliers. Despite the expansion, the collection period remained comfortable at 24 days in FY26 (FY25: 23 days), supported by an established customer base and disciplined receivable management.

## Weaknesses

- **Risks associated with volatility in the raw material prices**

The degree of backward integration defines the ability of the company to withstand cyclical downturns generally witnessed in the steel industry. The major raw material used in the production of billets and wire rods is steel scrap. The company does not have any long-term agreement for procurement of steel scrap and procures most of the scrap requirement from the spot market (domestic or international depending on pricing), thus exposing it to the volatility in the raw material price. Further, the finished steel prices are also highly volatile and prone to fluctuations based on global demand-supply situations and other macro-economic factors, which leaves its profitability highly susceptible to the price volatility.

- **Intense competition**

The steel manufacturing industry is characterised by intense competition across the value chain due to low product differentiation, and consequent intense competition, which limits the pricing flexibility of the players, including RSL.

- **Cyclicality in the steel industry**

The domestic steel industry is highly cyclical in nature and has witnessed prolonged periods of downturn due to excess capacity leading to a downtrend in the prices. Further, the company's operations are vulnerable to any adverse change in the global demand-supply dynamics.

## Liquidity – Adequate

RSL's liquidity position remained adequate marked by current ratio of 1.12x as on March 31, 2026. The GCA has also improved from Rs 30.00 crore in FY25 to Rs 62.06 crore in FY26 (Prov.). The company's cash accruals are sufficient to meet its repayments in FY27-FY29. The average utilisation of its working capital facilities stood at 89.42% in the past 12 months ended June 2026, giving it moderate headroom for additional working capital requirement. The cash and bank balance stood at Rs 1.58 crore as on March 31, 2026. The operating cycle of the entity is 74 days in FY26 in comparison to 59 days in FY25.

## Rating Sensitivities

**Upward Factors**

- Substantial and sustained improvement in revenue & profitability leading to overall improvement in debt protection metrics & overall gearing of below 1x.

**Downward Factors**

- Any decline in revenue and/or profitability impacting the debt protection metrics or liquidity.
- Any unplanned debt funded capex and/or withdrawal of subordinated unsecured loans leading to moderation in capital structure.

## About the Company

Incorporated in 1996, with having registered office is situated at Ludhiana, Punjab Renny Strips Limited is engaged in manufacturing a wide range of steel round coil/wire rods, billets, fasteners, scaffolding, thread bars, HR coils and pipes. The company was converted into limited company on April 26, 2025. It has total installed capacity of 2,40,000 MTPA for billets, 1,92,000 for coils, strips etc, 72,000 MTPA for ERW Pipe & 12,000 MTPA for Scaffolding. Additionally, 22 MW solar power plant is operational in January 2026.

**Key Financial Indicators (Standalone):**

| For the year ended/ As on* | 31-03-2025 | 31-03-2026 |
|---|---|---|
| | Audited | Provisional |
| Total Operating Income | 856.42 | 1070.48 |
| EBITDA | 49.13 | 89.79 |
| PAT | 19.46 | 42.44 |
| Total Debt | 254.44 | 405.91 |
| Tangible Net Worth (TNW) | 81.93 | 124.41 |
| EBITDA Margin (%) | 5.74 | 8.39 |
| PAT Margin (%) | 2.26 | 3.94 |
| Overall Gearing (times) | 2.08 | 2.45 |
| Interest Coverage (times) | 3.49 | 1.90 |

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

**Applicable Criteria**

Rating Methodology for Manufacturing Companies.

Financial Ratios & Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** None

## Rating History for last three years

| Sr. No. | Instruments/ Facilities | Current Ratings (Year 2026-27) | | | Rating History for the past 3 years | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type (Long Term/Short Term) | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2025-26 | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in in 2024-25 | Date(s) & Rating(s) assigned in in 2023-24 |
| | | | | | December 11, 2025 | November 21, 2024 | April 03, 2024 | April 10, 2023 |
| 1. | Fund based facilities | LT | 353.64 | IVR A-/ Stable | IVR BBB+/Stable | IVR BBB+/Stable | IVR BBB/Stable | IVR BBB/Stable |
| 2. | Non-fund based facilities | ST | 13.36 | IVR A2+ | IVR A2 | IVR A2 | IVR A3+ | IVR A3+ |

## Annexure 1: Instrument/Facility Details

| Name of Facility/ /Security | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook | Listing Status | Regulator^ | Complexity Indicator |
|---|---|---|---|---|---|---|---|---|---|
| Term Loan I | - | - | - | 05-06-2033 | 14.90 | IVR A-/Stable | - | RBI | Simple |
| Term Loan I | - | - | - | 30-09-2029 | 12.74 | IVR A-/Stable | - | RBI | Simple |
| Term Loan II | - | - | - | 01-12-2031 | 7.74 | IVR A-/Stable | - | RBI | Simple |
| Term Loan III | - | - | - | 30-11-2031 | 4.19 | IVR A-/Stable | - | RBI | Simple |
| Term Loan I | - | - | - | 07-06-2033 | 11.89 | IVR A-/Stable | - | RBI | Simple |
| Term Loan II | - | - | - | 07-08-2030 | 5.61 | IVR A-/Stable | - | RBI | Simple |
| Term Loan III | - | - | - | 07-07-2031 | 8.54 | IVR A-/Stable | - | RBI | Simple |
| Term Loan IV | - | - | - | 07-01-2032 | 12.83 | IVR A-/Stable | - | RBI | Simple |
| Term Loan V | - | - | - | 07-04-2031 | 7.62 | IVR A-/Stable | - | RBI | Simple |
| Term Loan VI | - | - | - | 07-08-2034 | 34.14 | IVR A-/Stable | - | RBI | Simple |

| Name of Facility/ /Security | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook | Listing Status | Regulator^ | Complexity Indicator |
|---|---|---|---|---|---|---|---|---|---|
| Term Loan VII | - | - | - | 07-10-2030 | 4.04 | IVR A-/Stable | - | RBI | Simple |
| Term Loan VIII | - | - | - | 07-01-2031 | 3.65 | IVR A-/Stable | - | RBI | Simple |
| Term Loan | - | - | - | 01-12-2034 | 23.38 | IVR A-/Stable | - | RBI | Simple |
| Term Loan (Proposed) | - | - | - | - | 2.87 | IVR A-/Stable | - | RBI | Simple |
| Cash Credit | - | - | - | - | 69.50 | IVR A-/Stable | - | RBI | Simple |
| Cash Credit | - | - | - | - | 45.00 | IVR A-/Stable | - | RBI | Simple |
| Cash Credit | - | - | - | - | 25.00 | IVR A-/Stable | - | RBI | Simple |
| Cash Credit | - | - | - | - | 60.00 | IVR A-/Stable | - | RBI | Simple |
| Bank Guarantee | - | - | - | - | 2.50 | IVR A2+ | - | RBI | Simple |
| PSR/CEL | - | - | - | - | 5.00 | IVR A2+ | - | RBI | Simple |
| PSR/CEL | - | - | - | - | 5.86 | IVR A2+ | - | RBI | Simple |

^Kindly note that for activities or 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.

**Annexure 2: Facility wise lender details:**
**https://infomericstorage.blob.core.windows.net/uploads/Len_Renny_Strips17_Sep26_801729d652.pdf**

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for Consolidated/Combined analysis:** Not Applicable

**Annexure 5: List of activities / instruments and names of regulators**

| Sr. No. | Instrument / activity Name | Regulator of the instrument |
|---|---|---|
| 1 | Listed/Proposed to be listed Bonds/Debentures/Preference Shares | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $ | RBI |

| Sr. No. | Instrument / activity Name | Regulator of the instrument |
|---|---|---|
| 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 Bank / NBFCs/ NHB/ FIs ^ | RBI |
| 9 | External Commercial Borrowings and other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11a | Fixed Deposits raised by NBFCs, HFCs, FIs | RBI |
| 11b | Fixed Deposits raised by Banks | + |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, 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 $ | RBI |
| 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) | + |
| 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 @ |

***Footnotes**:*

** 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), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s),*

*Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with 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 during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.*

*$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.*

*+ To be finalized following a discussion with the regulatory authorities.*

***Note:** For activities or 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.*

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| --- |
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## About Infomerics

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