

## Power2SME Private Limited

August 12, 2025

| Facilities                             | Amount (₹ crore) | Rating <sup>1</sup>       | Rating Action |
|--|------------------|---------------------------|---------------|
| Long Term / Short Term Bank Facilities | 18.50            | CARE BB; Stable / CARE A4 | Assigned      |

Details of facilities in Annexure-1.

### Rationale and key rating drivers

The ratings assigned to the bank facilities of Power2SME Private Limited (Power2SME) factor in its subdued operational profitability of the company on consolidated basis coupled with weak financial risk profile marked by leveraged capital structure and weak debt coverage indicators. The ratings also take into consideration the working capital-intensive nature of operations marked by elongated gross current asset days. The ratings are further constrained by the company's presence in a competitive and fragmented industry. However, the ratings derive comfort from the experienced promoters and senior management team, a reputed albeit moderately concentrated clientele, and continued capital support from institutional investors. The ratings also take cognizance of the growing scale of operations of the company on consolidated basis.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Improvement in scale and profitability, with consolidated revenues exceeding ₹1,200 crore and PBILDT margins turning sustainably positive above 1.50%.
- Strengthening of debt coverage metrics, with PBILDT interest coverage improving to over 1.25x on a sustained basis.

#### Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Decline in scale or profitability, with revenues falling below ₹800 crore or PBILDT margin remaining below -2% on a sustained basis.
- Weakening of debt coverage metrics, with continued negative PBILDT interest coverage and deterioration in overall gearing beyond 4.5x.
- Lower than expected financial support from AI Growth Private Limited

#### Analytical approach: Consolidated and factoring in support from parent entity, AI Growth Private Limited

Power2SME has two subsidiaries Auriolus Finvest Private Limited and Jijo India Private Limited, and as both these entities have strong operational and financial linkages and operate under a common management, a consolidated approach has been taken. The list of entities considered for consolidation is given in Annexure-6.

### Outlook: Stable

The outlook remains Stable as the group is expected to benefit from continued promoter and investor support, steady business volumes from reputed clientele, and gradual improvement in scale and working capital management.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Leveraged Capital Structure and Weak Debt Coverage Indicators

The company's capital structure on consolidated basis remains highly leveraged and witnessed further deterioration in FY25, with overall gearing of 3.83x as on March 31, 2025 (UA), (PY: 1.61x) The deterioration in capital structure was primarily driven by higher working capital requirements, which were met through external borrowings, largely due to the expansion in scale of operations. Total Outside Liabilities to Total Net Worth (TOL/TNW) also stood leveraged at 4.53x as on March 31, 2025. Debt coverage indicators remain weak marked by negative interest coverage ratio reflecting continued operating losses and limited internal accruals to service debt. Ongoing operating losses and elevated interest burden continue to weigh on the group's financial risk profile, underlining its reliance on timely and adequate support from investors and lenders.

<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.

**Working Capital Intensive Nature of Operations**

The group's operations are working capital intensive, driven by its bulk procurement and credit sales model to SMEs across India. Despite a zero-inventory model, receivables remain sizeable due to flexible credit terms extended through instruments such as BG, ECIPP, and Bluechip. The gross current asset days of the company on consolidated basis have elongated and stood at 88 days as on March 31, 2025. However, all the receivables of the company are secured by a Letter of Credit, Bank Guarantee, or Trade Credit Insurance, which reduces the risk of any major bad debts. Furthermore, the company discounts its receivables to maintain liquidity. The company's ability to profitably scale up its operations while managing its working capital requirements efficiently will remain a key monitorable from credit perspective.

**Presence in competitive and fragmented industry**

The group operates in a highly competitive and fragmented industry, serving customers across sectors such as manufacturing, infrastructure, engineering, and packaging. These end-user segments are typically price-sensitive, which keeps trading margins under pressure. The group competes with large integrated players with strong sourcing capabilities, local distributors offering flexible credit and delivery terms, and emerging online B2B platforms targeting SME procurement. Sustaining volumes requires continuous customer acquisition and retention, often supported by extended credit terms, which increases working capital intensity. Given the current scale and financial profile, maintaining profitability in such a dynamic landscape remains a challenge.

**Key strengths****Experienced Promoters and Senior Management**

Power2SME is backed by an experienced promoter and a professionally managed leadership team with deep domain expertise. Mr. Narayan Ramaswamy, promoter-director, brings over two decades of experience in general management and sales & marketing. The board is further strengthened by nominee directors from institutional investors, ensuring sound governance and strategic oversight. The senior leadership team comprises seasoned professionals across key functions like finance, credit & risk, supply chain, and business development, enabling efficient execution and structured financing in line with the group's working capital-intensive operations and diversified customer base. During FY25, around 78% stake in the company was acquired by AI Growth Private Limited (Jiraaf). Jiraaf is an entity backed by various PE Investors Accel India (Mauritius), Harmony Partners, Alteria capital fund etc. Renowned angel investors like Shivanand Shankar Mankekar and Kedar Mankekar have also invested in Jiraaf. Currently, both the founders of Jiraaf, Saurav Ghosh and Vineet Agrawal are on the board of Power2SME. CARE expects Power2SME to benefit from the experience of the founders of Jiraaf in scaling up its operations profitably.

**Reputed clientele albeit moderately concentrated**

The group caters to a reputed and diversified customer base, including several well-rated corporates such as Jindal Stainless Limited (CARE AA; Stable / CARE A1+), Vedanta Limited, Hindustan Zinc Limited, and Shyam Sel and Power Limited, among others. This underlines the group's ability to service investment-grade entities across multiple sectors. As per FY25 data, the top 10 customers contributed ~51% to total sales, indicating moderate customer concentration. However, long-standing business relationships and recurring orders from these clients provide some stability to revenue flows.

**Growing scale of operations albeit subdued operational profitability**

The scale of operations of the company has grown at a CAGR of ~31% over last 5 years and stood at Rs. 1009.57 crores during FY25. However, operational profitability remained subdued marked by operational losses, largely attributable to thin trading margins, limited pricing flexibility, and relatively high operating costs inherent in the B2B procurement model. Further, company has taken cost rationalisation measures to curtail its fixed costs and expects operational profitability over medium term.

**Liquidity: Stretched**

Liquidity is stretched marked by elongated gross current asset days and negative cash flow from operations. Further, the company mainly has to rely on equity support from its investors to manage its debt repayments. The current ratio stood at 1.34x as on March 31, 2025. Cash flow from operations stood negative at around Rs. 156 crores as on March 31, 2025. Furthermore, the company discounts its receivables to maintain liquidity. The company's fund-based bank limits of ₹18.50 crore were utilised at around 50–60% during the 12 months ended March 2025. Cash and bank balances remained modest at ₹16.93 crore as on March 31, 2025.

**Assumptions/Covenants:** Not Applicable

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

## Applicable criteria

- [Definition of Default](#)
- [Consolidation](#)
- [Notching by Factoring Linkages in Ratings](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Financial Ratios – Non financial Sector](#)
- [Short Term Instruments](#)
- [Wholesale Trading](#)

## About the company and industry

### Industry classification

| Macroeconomic indicator | Sector   | Industry                       | Basic industry         |
|-------------------------|----------|--------------------------------|------------------------|
| Services                | Services | Commercial Services & Supplies | Trading & Distributors |

Gurugram (Haryana) based Power2SME Private Limited (P2SPL) was incorporated on January 30,2012 and is promoted by Mr. Narayan Ramaswamy. The company is engaged in trading of metals (majorly steel and TMT), polymers, yarn, chemicals etc and sells its product in domestic market. P2SPL has two wholly owned subsidiaries namely Jijo India Private Limited and Auriolus Finvest Private Limited. During FY25, around 78% stake in the company was acquired by AI Growth Private Limited (Jiraaf). Currently, both the founders of Jiraaf, Saurav Ghosh and Vineet Agrawal are on the board of Power2SME.

| Particulars (Consolidated) | March 31, 2023 (A) | March 31, 2024 (A) | March 31, 2025 (UA) |
|----------------------------|--------------------|--------------------|---------------------|
| Total operating income     | 1056.68            | 677.68             | 1009.57             |
| PBILDT                     | -11.84             | -24.06             | -1.79               |
| PAT                        | -28.52             | -34.87             | -22.80              |
| Overall gearing (times)    | 2.05               | 1.61               | 3.83                |
| Interest coverage (times)  | NM                 | NM                 | NM                  |

A: Audited UA: Unaudited; NM: Not meaningful; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Acuité has placed the rating assigned to the bank facilities of Power2SME Private Limited into Issuer Not Cooperating category vide their press release dated July 07, 2025, on account of non-receipt of latest No Default Statement (NDS) for 3 months consecutively.

**Any other information:** Not Applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of facilities

| Name of the Facility                       | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|--|------|------------------|-----------------|---------------|-----------------------------|------------------------------------|
| Fund-based - LT/ ST-Working Capital Limits | -    | -                | -               | -             | 18.50                       | CARE BB; Stable / CARE A4          |

**Annexure-2: Rating history for last three years**

| Sr. No. | Name of the 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-Working Capital Limits | LT/ST           | 18.50                        | CARE BB; Stable / CARE A4 | -   | -   | -   | -   |

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated facilities:** Not Applicable

**Annexure-4: Complexity level of instruments rated**

| Sr. No. | Name of the Facility                       | Complexity Level |
|---------|--|------------------|
| 1       | Fund-based - LT/ ST-Working Capital Limits | Simple           |

**Annexure-5: Lender details**

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

**Annexure-6: List of entities consolidated**

| Sr No | Name of the entity               | Extent of consolidation | Rationale for consolidation |
|-------|----------------------------------|-------------------------|-----------------------------|
| 1.    | Auriolus Finvest Private Limited | Full consolidation      | Subsidiary Company          |
| 2.    | Jijo India Private Limited       | Full consolidation      | Subsidiary Company          |

**Note on complexity levels of rated instruments:** CARE 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

|  |  |
|--|--|
| <p><b>Media Contact</b></p> <p>Mradul Mishra<br/>Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-22-6754 3596<br/>E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Ankur Sachdeva<br/>Senior Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-22-6754 3444<br/>E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a></p> | <p><b>Analytical Contacts</b></p> <p>Puneet Kansal<br/>Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-120-4452000<br/>E-mail: <a href="mailto:puneet.kansal@careedge.in">puneet.kansal@careedge.in</a></p> <p>Rajan Sukhija<br/>Associate Director<br/><b>CARE Ratings Limited</b><br/>Phone: +91-120-4452000<br/>E-mail: <a href="mailto:Rajan.Sukhija@careedge.in">Rajan.Sukhija@careedge.in</a></p> <p>Rishabh Sachdeva<br/>Analyst<br/><b>CARE Ratings Limited</b><br/>E-mail: <a href="mailto:Rishabh.sachdeva@careedge.in">Rishabh.sachdeva@careedge.in</a></p> |
|--|--|

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CARE and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information, please visit [www.careratings.com](http://www.careratings.com)**