Birla Metals & Alloys LLP

December 19, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	50.00	CARE BBB-; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Birla Metals & Alloys LLP (BMAL) derive strength from promoter's long-standing presence in the industry, recurring orders from strong clientele, increasing scale with revenue from operations of over ₹770 crore for FY25, comfortable financial risk profile with absence of term debt and adequate liquidity.

However, rating strengths are partially offset by thin profitability with exposure to lead price volatility, working capital intensive business, risk associated with constitution of the entity as LLP, low net-worth base, and regulatory and environmental compliance risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistent growth in scale with an increase in operating income above ₹1000 crore and profit before interest, lease rentals, depreciation and taxation (PBILDT) margin improving to over 4%.
- Notable improvement in tangible net worth base of the company.

Negative factors

- Deterioration in overall gearing to above 1.5x on a consistent basis.
- Generating negative operating cash flows on a sustained basis impacting company's liquidity profile and resulting in higher reliance on bank funds.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes the entity will continue to benefit from extensive experience of promoters and management in the industry.

Detailed description of key rating drivers:

Key strengths

Experienced promoters

The founder, Ramesh Birla, has over 34 years of experience in lead manufacturing and trading. The business was previously operated under a Hindu Undivided Family (HUF) structure and, since 2023, functions as a Limited Liability Partnership (LLP) structure under the leadership of Abhishek Birla, who has 14 years of industry experience. Promoters' long-standing presence in the industry has enabled strong customer relationships, resulting in recurring orders. BMAL has also appointed unit heads for both Shadnagar and Khatedan facilities to oversee overall production and improve efficiency.

Strong clientele despite concentration risk

BMAL supplies to reputed clients with strong credit profiles such as Nile Limited and Chloride Metals Limited, with ~50% of Nile Limited's raw material requirement currently sourced from BMAL. While revenue remains concentrated among a few customers, the risk is partly mitigated by recurring orders supported by promoters' long-standing relationships with these clients and low counterparty credit risk. The entity has also added new customers in the current fiscal, including Jain Resources and Yash Resources Recycling Limited.

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

Comfortable financial risk profile
BMAL's financial risk profile is comfortable, with no significant term debt except a negligible vehicle loan. Net worth base is very small, considering thin profitability. Unsecured loans infused by promoters shall continue to remain in business per the bank sanction terms. Overall gearing stood at 0.61x as on March 31, 2025. Other coverage indicators are also comfortable marked by Interest coverage ratio of 4.27x and total debt/PBILDT of 0.68x for FY25.

Healthy scale of operations
BMAL commenced lead processing and manufacturing operations in FY24, having earlier operated under an HUF structure primarily engaged in lead trading. Revenue from operations has grown by 41% in FY25 to ₹771.42 crore (PY: ₹547.12 crore) driven primarily by sales volume growth of pure lead. In 7MFY25, the entity has recognised a revenue of ₹548.46 crore. BMAL has an order book of over ₹115 crore as on October 31, 2025, to be supplied within 1-1.5 months.

Key weaknesses

Thin profitability and exposure to lead price volatility
The company's operations are primarily limited to refining of lead scrap with minimal value addition, resulting in thin profitability. Raw material cost accounts for ~96-97% of revenue, making operating margins highly sensitive to fluctuations in lead scrap and finished lead prices. Adverse movement in lead prices between procurement and sale can significantly impact margins.

Regulatory and Environmental Compliance Risk
The company operates in a highly regulated industry, as recycling of used lead-acid batteries falls under the purview of the Batteries (Management and Handling) Rules, 2001 issued by the Ministry of Environment and Forests (MoEF). Only entities registered with the MoEF/Central Pollution Control Board (CPCB) and adhering to prescribed environmental standards are permitted to undertake such recycling. Deviation or non-compliance with these regulations may result in penalties or suspension of operations.

LLP nature of the firm
The firm's credit risk profile constrained by the constitution of the entity as there is an inherent risk of withdrawal of the capital or may limit firm's flexibility to borrow funds from banks to some extent.

Liquidity: Adequate
Cash accruals generated by the company, and bank limits is sufficient to meet its operational requirement and vehicle loan repayment obligation. Working capital cycle is comfortable at six days for FY25. While average utilisation of cash credit limits stood low at 54% for 12 months ending October 2025, the firm avails significant channel financing limits, which impacts its overall interest cost.

Assumptions/Covenants - Not applicable

Environment, social, and governance (ESG) risks - Not applicable

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals and mining	Minerals and mining	Industrial minerals

Incorporated on December 30, 2022, BMAL is managed by Abhishek Birla, son of Ramesh Birla. The firm is engaged in manufacturing pure lead, lead alloys, and lead oxides, which are primarily used in storage battery manufacturing, chemical and pigment industries, cable sheathing, and radiation shielding applications. BMAL operates two manufacturing units - Shadnagar and Khatedan.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	7M-FY25 (UA)
Total operating income	547.12	771.42	548.46
PBILDT	7.37	16.37	12.23
PAT	2.70	7.86	8.60
Overall gearing (times)	0.45	0.61	NA
Interest coverage (times)	2.44	4.27	4.62

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: 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/ ST-Cash Credit		-	-	-	50.00	CARE BBB-; Stable / CARE A3

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-Cash Credit	LT/ST	50.00	CARE BBB-; Stable / CARE A3				

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-Cash Credit	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 for clarifications.

Contact us

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