

NAGARMAL SHEONARAIN & SONS

April 01, 2026

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	75.00	CARE BBB-; Stable	Assigned

Details of facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to the bank facilities of Nagarmal Sheonarain & Sons (NSS) is supported by its long track record of operations with strong brand image and experienced promoters, growing scale of operations with improving profitability witnessed during the period FY21-FY25 (refers to April 01 to March 31) and 9MFY26, comfortable capital structure and debt protection metrics and favourable demand scenario and NSS's strong positioning.

However, the above strengths are partially offset by the constitution of entity being in the nature of partnership firm, geographical concentration risk and high competition from organized and unorganized players.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increasing scale of operations above ₹1000 crore while maintaining PBILDT margins beyond 8% on a sustained basis.
- Change in constitution from partnership firm to private limited company with no major moderation in the capital structure.

Negative factors

- Decline in scale of operations, with TOI going below ₹500 crore and PBILDT margin going below 5% on a sustained basis.
- Moderation in capital structure with overall gearing going above 0.75x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

CareEdge Ratings believes that NSS will continue to benefit from its established brand name and favourable demand outlook.

Detailed description of key rating drivers:

Key strengths

Strong brand and experienced promoters with long operational track record

NSS benefits from a long-standing operational history, carrying forward the legacy of the original "Nagarmal" brand established in 1918–19 by Late Nagarmal Beria. Over the past century, the business has built strong brand equity and a loyal customer base in the Bihar–Jharkhand region.

The firm is led by experienced fourth and fifth generation promoters who possess extensive expertise in apparel retailing and regional market dynamics. The current promoter group has successfully scaled operations across multiple cities, diversified product offerings, and strengthened NSS's position as a leading fashion retailer in the region.

Favourable demand scenario and NSS's strong positioning

The fashion retail sector has witnessed a demand slowdown due to inflationary pressures; however, demand is expected to improve in the upcoming months with the onset of the wedding and festive season. Despite near-term challenges, increasing urbanisation and rising disposable incomes are expected to drive long-term growth in the branded apparel segment. The organised apparel retail market is likely to grow steadily, supported by higher consumer spending, changing demographics, brand consciousness, and evolving lifestyles. NSS, with its strong brand heritage, premium positioning, and wide showroom network, is well-placed to leverage these trends and sustain its leadership in the market.

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

Growing scale of operations along with improving profitability over the years

The total operating income (TOI) grew at a compounded annual growth rate (CAGR) of ~31% during last 5 years ended FY25 and stood at ₹796 crore in FY25 as against ₹210 crore in FY21. The PBILDT margin also witnessed improvement and stood at 8.40% in FY25 as against 5.20% in FY21 backed by increase in scale of operations. With low capital costs, PAT margin also witnessed improvement from 2.45% in FY21 to 4.73% in FY25.

In 9MFY26, the firm reported TOI of ~₹768 crore, accompanied by a healthy PBILDT margin of 9.87%. Going forward, with plans of opening new stores, the revenue is expected to improve with operating margin expected to remain in the range of 8.5%-9%.

Comfortable capital structure and debt protection metrics

The entity's capital structure stood comfortable, marked by an overall gearing of 0.33x as on March 31, 2025 (0.97x as on March 31, 2021). Its debt profile largely comprises working capital debt and unsecured loans from promoters. The improvement in capital structure was on account of accretion of profit to reserves over the period. Going forward, the capital structure is expected to improve on account of profit accretion to reserves while the entity's comfortable capital structure provides sufficient gearing headroom in case of exigencies.

Debt coverage indicators stood satisfactory marked by TDGCA of 0.99x as on March 31, 2025, as against 4.26x as on March 31, 2021. Going forward, given no debt related capex, the same is expected to improve going forward. Additionally, interest coverage ratio stood comfortable at ~13.72x in FY25 as against 5.94x in FY21.

Key weaknesses**Constitution of entity being a partnership firm**

The entity's constitution as a partnership firm has the inherent risk of possibility of withdrawal of the partner's capital at the time of personal contingency and firm being dissolved upon the death/retirement/insolvency of partner. Moreover, partnership firms have restricted access to external borrowing as credit worthiness of partners would be the key factors affecting credit decision of the lenders.

Geographical concentration risk

The entity's operations remain geographically concentrated within the states of Bihar and Jharkhand. Notably, seven of its nine operational outlets are located in Bihar, which heightens the firm's exposure to geographical concentration risk and makes its performance susceptible to region specific economic, regulatory, and competitive dynamics.

High competition from organized and unorganized players

The industry has large number of small players due to the low entry barriers and low investment required for starting a retail store. NSS faces competition from both unorganized and organized retailers operating in Bihar and Jharkhand. In organized sector, it faces competition from Zudio, Pantaloons, Max Fashion, Reliance Trends, and exclusive brand outlets of various brands.

Liquidity: Adequate

Liquidity is marked adequate with firm earning GCA of ₹41.50 crore as against a minimal debt repayment of ₹0.63 crore in FY25. However, along with the scheduled payment, the firm prepaid around ₹3.00 crore during FY25. In FY26, the firm has debt repayment obligation of ₹0.68 crore against which the firm is expected to generate sufficient cash accruals. Till February 2026, the firm prepaid ~₹2.40 crore towards the term loan in FY26.

The average utilisation of fund-based limits last 12 months ending in December 2025 stood at ~67%. The unencumbered cash and bank balance stood at around ₹10.61 crore as on March 31, 2025. The current ratio stood comfortable at 1.63x as on March 31, 2025.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Retail](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Diversified consumer products

NSS, established in 2004, is one of the leading clothing retail brands in the Bihar–Jharkhand region, offering an extensive range of apparel for men, women and children. The firm carries forward the legacy of the original “Nagarmal” brand, founded in 1918–19 by Late Nagarmal Beria. His grandson, Sheo Narayan Beria, elevated the business significantly, transforming Nagarmal Sheonarain into the preferred shopping destination of the Arrah district.

Currently, NSS is managed by the next generation—Ganesh Narain Beria, Kamal Kishore Beria, Krishna Kumar Beria, Umesh Narain Beria, Vandana Devi, and Nidhi Devi—who have expanded the brand into a prominent fashion hub in the region. The firm operates 9 outlets across 5 cities: Patna, Arrah, Muzaffarpur, Bhagalpur, and Jamshedpur. Its headquarter and a 70,000 sq. ft. warehouse are located in Arrah, which also houses its flagship and oldest store spanning more than 50,000 sq. ft.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	621.94	796.07	768.36
PBILDT*	48.45	66.85	75.82
Profit after tax (PAT)	26.11	37.61	NA
Overall gearing (x)	0.60	0.33	NA
Interest coverage (x)	9.27	13.72	30.21

A: Audited UA: Unaudited NA: Not Available; 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	71.22	CARE BBB-; Stable
Term Loan- Long Term		-	-	Feb 2034	3.78	CARE BBB-; Stable

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-Cash Credit	LT	71.22	CARE BBB-; Stable				
2	Term Loan-Long Term	LT	3.78	CARE BBB-; Stable				

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	Term Loan-Long Term	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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