Nisha Metals

May 21, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	19.93	CARE BB; Stable	Assigned
Long-term / Short-term bank facilities	15.50	CARE BB; Stable / CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

The 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

Ratings assigned to bank facilities of Nisha Metals (NM) are constrained due to moderate scale of operations and profitability, leveraged capital structure, exposure to a highly competitive and fragmented industry, susceptibility of margins to raw material price volatility, inherent risks associated with its partnership constitution, and stretched liquidity profile marked by moderate working capital utilisation, and limited financial flexibility amid ongoing capex.

However, ratings derive strength from the company's established relationships with reputed customers in the solar and allied industries, and promoters' experience in the aluminium extrusion industry, which provides moderate revenue visibility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in revenue and sustenance of profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 7%, leading to higher cash accruals.
- Sustained total outside liabilities to total net worth (TOL/TNW) below 2x and net worth above ₹20 crore.

Negative factors

- Decline in revenue and / or operating margin, leading to cash accruals below ₹4 crore.
- Substantial increase in working capital requirement or large, debt-funded capital expenditure, resulting in moderation in total debt to PBILDT above 4x and weakening the liquidity profile.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects the rated entity to benefit from its promoters' experience, supporting its operating performance over the near-to-medium term.

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operations and profitability

The firm continues to operate at a moderate scale despite a steady post-restart increase in operations, with total operating income (TOI) increasing from ₹16.29 crore in FY23 to ₹75.57 crore in FY26 and expected to improve further in FY27. TOI is projected to exceed ₹100 crore in FY27, supported by capacity expansion, including the installation of a new automatic anodising plant and the addition of a furnace, which will increase total installed capacity to ~7,200 MTPA from ~2,400 MTPA.

Profitability has remained moderate, with PBILDT margins staying low until FY25 and improving to ~7% in FY26. It is expected to sustain at this level in foreseeable period, with growth in TOI.

Leveraged capital structure

The firm's capital structure remains leveraged, with overall gearing of 1.05x as on FY26. Total debt increased to ₹12.18 crore in FY26 from ₹8.60 crore in FY25, primarily to support business growth and working capital requirements. Although net worth improved to ₹11.55 crore in FY26 from ₹5.49 crore in FY25, driven by accretion to reserves, it continues to remain modest.

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

The firm has undertaken a capacity expansion project of ~₹25 crore, of which ~75% is proposed to be funded through bank borrowings, while the balance ~25% is to be infused by the promoters in the form of unsecured loans or internal accruals. The expansion is expected to enhance the installed capacity by ~3x. Accordingly, overall debt is expected to increase significantly to ~₹38 crore in FY27, resulting in a moderation in the capital structure, with gearing expected to rise to ~2.50x. The net worth is expected to witness only a marginal improvement in the near term, as the proposed plant is likely to commence operations in H2FY27, with full benefits in terms of revenue and profitability expected to accrue from FY28 onwards.

Highly competitive fragmented aluminium extrusion industry

NM operates in a fragmented and highly competitive aluminium extrusion industry, marked by the presence of numerous organised and unorganised players, owing to relatively low entry barriers and limited technical complexity. This results in intense competition and restricts players' ability to pass on increases in input costs.

The firm remains a relatively small player with a limited scale of operations and primarily caters to the solar segment, with its products also finding application in modular kitchens, tube light bases, and other allied segments. The concentration of demand from the solar segment exposes the firm to sector-specific risks, including demand cyclicality.

The medium-term demand outlook remains favourable, driven by the increasing adoption of aluminium extrusions in renewable energy applications, supported by their favourable properties such as lightweight nature, high strength-to-weight ratio, and corrosion resistance.

Susceptibility to raw material price volatility

The firm's profitability remains exposed to volatility in aluminium prices, driven by global geopolitical and economic factors.

The firm follows a NALCO-linked pricing mechanism, which helps align input costs with market prices. Procurement is largely order-driven, with inventory maintained based on near-term demand visibility, aiding better cost and inventory management. The aforesaid measures mitigate the pricing risk to a certain extent. However, the company continues to remain exposed to overall aluminium price volatility.

Constitution as a partnership firm

NM's constitution as a partnership entity exposes it to inherent risk of partners' capital being withdrawn, and firm being dissolved upon the death/retirement/insolvency of partners which may affect financial flexibility of the firm.

Key strengths

Reputed client base

The firm derives its revenue from established players in the solar and power solutions industry, such as Alpex Solar Ltd. The association with reputed customers provides adequate revenue visibility.

However, the customer profile is concentrated, with the top five customers accounting for ~98% of total sales in FY26 (PY: 96%), with a significant share contributed by Alpex Solar Ltd.

Experienced promoters

The firm is managed by experienced promoters with a long-standing presence in the aluminium extrusion industry. Pawan Kumar Jeendgar, the principal promoter, has over three decades of experience and oversees the firm's overall operations. He is supported by Chaitanya Jeendgar, representing the next generation, who is actively involved in production, procurement, and plant supervision.

Liquidity: Stretched

Liquidity remains stretched, characterised by negative net cash flow from operations, low unencumbered cash and bank balances, and moderate cash accruals, though adequate to meet debt repayment obligations.

Net cash flow from operations remained negative at -₹2.03 crore in FY26. Consequently, maximum utilisation of working capital limits remained largely full in the 12 months ended March 2026 (though with moderate average utilisation of ~55–60%) with minimal free cash and bank balance of ~₹0.01 crore as on March 31, 2026, indicating a limited liquidity buffer. The current ratio stood at 1.56x as on that date.

With the ongoing debt-funded capacity expansion, a significant portion of internal accruals (~₹4.00 crore) is expected to be utilised towards capex in FY27, likely to further constrain liquidity. The firm has scheduled debt repayments of ₹1.0–₹3.5 crore annually over FY27–FY29, expected to be met from its cash accruals.

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
Non Ferrous Metal
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & mining	Non - Ferrous metals	Aluminium

NM is a Jaipur-based partnership firm engaged in manufacturing aluminium extrusion products catering to the solar and allied industrial segments. The firm commenced operations in 2004 and was registered in 2006. Operations were discontinued at the end of FY17 and subsequently restarted in 2022 following the reconstitution of the partnership under the leadership of promoters, Pawan Kumar Jeendgar and Chaitanya Jeendgar.

The firm operates from its owned manufacturing facility at RIICO Industrial Area, Bagru, Jaipur, and currently has an installed capacity of ~2,400 MTPA, which is being expanded to ~7,200 MTPA.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	36.78	54.23	75.57
PBILDT*	0.94	2.15	5.33
Profit after tax (PAT)	-0.34	0.85	4.05
Overall gearing (x)	1.88	1.57	1.05
Interest coverage (x)	1.56	3.46	8.10

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-Term Loan		-	-	March 2033	19.93	CARE BB; Stable
Fund-based - LT/ ST-Cash Credit		-	-	-	15.50	CARE BB; Stable / CARE A4

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/ ST-Cash Credit	LT/ST	15.50	CARE BB; Stable / CARE A4		-	-	-
2	Fund-based - LT-Term Loan	LT	19.93	CARE BB; 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-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	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 various FSRs, along with the names of respective FSRs, is 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

[2]SEBI: 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

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal 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), etc. 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 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 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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Kalpesh Ramanbhai Patel Director **CARE Ratings Limited** Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in
Relationship Contact Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Nikita Akhilesh Goyal Associate Director **CARE Ratings Limited** Phone: 079-40265670 E-mail: nikita.goyal@careedge.in Pooja Mahesh Devnani Lead Analyst **CARE Ratings Limited** E-mail: Pooja.devnani@careedge.in

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