CareEdge RATINGS

# Nile Limited

July 09, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long-term bank facilities | 60.00 | CARE A-; Stable | Reaffirmed |
| Short-term bank facilities | 30.00 | CARE A2+ | Reaffirmed |

Details of instruments/facilities in Annexure-1.

List of facilities / instruments falling under the purview of financial sector regulators (FSRs), and the names of respective FSRs has been disclosed under Annexure-7.

## Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of Nile Limited (Nile) factors in improved financial performance with 12% y-o-ygrowth reported in total operating income and profitability in FY26 (A; FY refers to April 01 to March 31), satisfactory capital structure and debt coverage indicators, comfortable operating cycle, advanced stage of project under the subsidiary Nile Li-Cycle Private Limited (NLPL). Ratings continue to derive strength from long track record of the company and vast experience of promoters in lead recycling business, established sourcing network and customer relationship, revenue visibility led by annual supply agreements with the key customer, Amara Raja Energy & Mobility Limited (AREML) for job works, sale of material and collection of batteries, presence of valid license for importing of used batteries and Lead scrap, high entry barriers for new entrants and adequate liquidity position.

However, ratings are constrained by moderate profitability margins, customer concentration risk with majority revenue being derived from AREML, presence of many organised and unorganised players, exposure to raw material price volatility due to the commoditised nature of product, forex risk and regulatory risk arising from stringent environmental standards.

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

### Positive factors

- Significant improvement in scale of operations while maintaining a profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 7% on a sustained basis.
- Diversification in terms of customers reducing the client concentration risk

### Negative factors

- Decrease in scale of operations by over 20% and PBILDT margin falling below 5%.
- Additional borrowings leading to deterioration of overall gearing beyond 0.75x.
- Elongation in collection/inventory period beyond three months

## Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has analysed Nile's credit profile considering consolidated financial statements (comprising Nile and its subsidiaries; referred to as Nile Group) owing to financial and operational linkages between the parent and its subsidiaries. The companies are run by common management. The consolidated financial statements include Nile (the holding company) and its following subsidiaries as on March 31, 2026, mentioned in Annexure 6

## Outlook: Stable

CareEdge Ratings believes Nile's credit profile will remain stable with a further scaling up of operations with addition of new clients and completion of phase two capex in subsidiary, which is expected to be fully operational from Q4FY26. Leverage and debt coverage indicators are expected to remain stable.

## Detailed description of key rating drivers:

### Key strengths

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

**The company's long track record and vast experience of promoters in recycling business**

Vuyyuru Ramesh is Nile's promoter and executive chairman, who has strong technical qualification and about four decades' total experience with over 10 years' working experience in different capacities in some largest technical organisations in the world such as General Electricity Company (USA) and The Southern Company (USA), among others. In India, he worked as a general manager of the Deccan Sugars Limited and managing director of Shin-A-Chemicals (India) Limited before starting at Nile. Sandeep Vuyyuru Ramesh, current managing director of Nile joined in June 2009 as general manager, Non-Ferrous Division, and has been in general/senior management roles at Nile since then. With nearly three decades in the similar business, the company cemented its place in lead manufacturing with established clients base and suppliers in domestic markets. Sandeep Vuyyuru Ramesh is ably assisted by a team of professionals to aid in Nile's day-to-day operations.

**Established relationship and revenue visibility led by annual supply agreements with key customer**

Nile has an annual agreement (renewed every year) with AREML for job works, sale of material and collection of batteries. The annual agreement is based on pricing of Lead Alloys linked to commodity exchange rates at LME (USD per tonne) at LME plus premium in USD, which comprises smelting and refining cost for recovered pure lead and smelting and alloying cost for Lead alloys.

**Improvement in TOI and profitability in FY26**

The company's TOI remained on increasing trend from the last five years ended FY26 with an increase of ~11.6% to ₹1040.51crore led by continuous demand from original equipment manufacturers (OEMs). Commensurate to increase in TOI, with better sales realisations and increased volume of sales, profitability improved, despite, the prices of raw material have been volatile in FY26. PBILDT margin in FY26 stood at 7.46% (increased by 134bps). In line with operating margin, net margin also improved to 5.30% (PY: 3.95%).

**Reputed clientele and diversified supplier base**

Nile caters to reputed clients in the domestic market such as AREML and Mangal Industries Limited, among others. Contracts are generally for one year and the Memorandum of Understanding (MOU) is renewed on annual basis. The tenure of contract for export market is usually for 1-2 years hence; Nile is exploring options to export to overseas markets which is expected to diversify its customer base to have a portfolio of short-term and long-term contracts to aid revenue visibility. Nile's top 10 suppliers contribute ~90-95% of its total procurement. The company imports significant portion of its raw material requirement through import from European, North America scrapyards and the middle eastern countries, and remaining requirement is met domestically, operating with a wide supplier base.

**Comfortable capital structure and debt coverage indicators**

The company's capital structure marked by debt to equity and overall gearing have remained below unity for the last four years. Overall gearing improved and remained comfortable at 0.05x as on March 31, 2026 (PYE: 0.08x). Total debt comprises term loans availed for expansion of existing plant in 2022 and working capital borrowings which is utilised ~5-10%. Total sanctioned fund based working capital limit of Nile is ₹ 60 crore. Interest coverage ratio remains healthy. The total debt to gross cash accruals (TD/GCA) stood at 0.30x as on March 31, 2026 (PYE: 0.55x).

**Satisfactory operating cycle**

Nile's operating cycle remained in the range of 2-3 months in the last four years ended FY26. In FY26, operating cycle improved to 69 days (FY25: 73 days). The company has a collection period around one month and an inventory period of 45-60 days. The company has been collecting the payments from customers almost within 30 days or 35 days in a timely manner and the creditors are being cleared either on the same day or within two days.

**Stable industry outlook**

As of May 2026, the global battery recycling industry continues to benefit from rapid growth in battery consumption, electrification trends, and stricter regulatory requirements for end-of-life battery management. The market is projected to grow from US$19.4 billion in 2024 to ~US$69.4 billion by 2034, reflecting a compounded annual growth rate (CAGR) of 13.6% in the projected period. Demand is being driven by both lead-acid and lithium-ion battery recycling, with increasing focus on recovering valuable materials and reducing dependence on virgin raw materials.

Lead-acid batteries remain the most established and widely recycled battery chemistry globally, supported by their extensive use in automobiles, telecom infrastructure, UPS systems, industrial power backup, railways, and renewable energy storage applications. The lead recycling market itself was valued at ~US$19.6 billion in 2025 and is expected to reach US$31.3 billion by 2034, growing at a CAGR of 5.2%. Battery recycling accounts for the largest share of Lead recycling activity worldwide.

GOI published the new Battery Waste Management Rule in August 2022 to ensure environmentally sound management of waste batteries. The rules cover all types of batteries, including electric vehicle batteries, portable batteries, automotive batteries and industrial batteries. The rules' function based on the concept of extended producer responsibility (EPR), where producers (including importers) of batteries are responsible for collection and recycling/refurbishment of waste batteries and use of recovered materials from wastes into new batteries. EPR mandates all waste batteries to be collected and sent for recycling/refurbishment, and it prohibits disposal in landfills and incineration. To meet EPR obligations, producers may engage themselves or authorise other entity for collection, recycling or refurbishment of waste batteries.

## Key weaknesses

**Moderate profitability margins, which are exposed to raw material price volatility and forex risk**

The company's profitability margins remain exposed to the commodity prices of non-ferrous metals (Lead), which forms the company's 90% overall cost structure. The company needs to maintain minimum stock of 1.5x of its monthly order and the fluctuation in the raw material cost to the extent of stock level can impact the company's overall gross margin. Despite limited value addition and higher competition from other players in the industry with similar setup, the company's PBILDT margins have been aligned with industry benchmark over the years.

**Customer concentration risk**

Nile's top 10 customers contributed to ~99% of the company's overall sales, of which ~90% overall revenue was from AREML. AREML remained the major off-taker for Nile since inception, showcasing an established relationship between the companies. Nile sells balance 10-15% of its total sales to other reputed players in the industry.

**Ongoing capex in Nile Li-Cycle Private Limited; its wholly owned subsidiary**

Nile has identified the potential in recycling of lithium-ion batteries and floated a subsidiary NLPL, which will focus on end-to-end recycling and product generation from Lithium-ion extraction. The total project cost for set up of NLPL is ₹60 crore, of which as on March 31, 2026, Nile has drawn down a total of ₹17.50crore from Axis bank, and balance is funded through loan from Nile Limited. NLPL's phase one started operations from March 2024, where it has completed initial trial runs successfully with an installed capacity of 10,000 MTPA. Trial runs for phase 2 have also been completed, and all approvals are in place. This is expected to start commercial operations from October 2026. FY28 will be the first full year of operations for NLPL. Thus, with NLPL's phase 1 already operational and phase 2 commencing operations from October 2026, the project risk is mitigated to greater extent.

Other than NLPL, Nile has two more subsidiaries namely Nirmalya Extracts Private Limited (NEPL) and Nile Overseas Enterprise FZE. Both subsidiaries are not operational and there is no debt outstanding as on date.

**Regulatory risk arising from stringent environmental standards**

Companies engaged in lead recycling process must adhere to rigorous pollution control norms as the industry is extremely polluting and has hazardous effect on the environment. Deviation from the prescribed waste handling procedure could result in stringent regulatory action. Thus, Nile ensures all regulatory certifications and inspections are in place. Usually, the Central Pollution Control Board (CPCB) will issue license, which is valid for five years.

Ministry of Environment, Forest and Climate Change, Government of India published the Battery Waste Management Rules, 2022 on August 24, 2022, to ensure environmentally sound management of waste batteries. The rules' function based on the concept of Extended Producer Responsibility (EPR) where the producers (including importers) of batteries are responsible for collection and recycling/refurbishment of waste batteries and use of recovered materials from wastes into new batteries. EPR mandates that all waste batteries to be collected and sent for recycling/refurbishment, and it prohibits disposal in landfills and incineration.

Nile complies with requirements of the new rules, considering it is one of the few companies, which provide end-to-end recycling solutions. The new rule in action, is expected to eliminate unorganised players, limiting competitors and improving margins.

## **Liquidity**: Adequate

Nile's liquidity on consolidated basis remained adequate. The company generated GCA of ₹59.18 crore in FY26 against a negligible term debt repayment obligation of ₹6.00 crore in FY27. The company's operating cycle stood at 69 days in FY26, leaving enough headroom in case of exigencies. Average utilisation for 12-months ended May 31, 2026, stood at 5.15%. Utilisation of non-fund-based limits remained lower at 10%. Liquidity is further supported by above unity current ratio of 9.63x in FY26.

**Assumptions/Covenants:** Not applicable

## Environment, social, and governance (ESG) risks

| | Risk factors |
|---|---|
| **Environmental** | Lead manufacturing process is hazardous in nature. The company has entered contract of waste disposal with Ramky Enviro Engineers Limited to adhere with the government's standards and safety measures for disposal. For Nile, the Pollution Control Board certificate is applicable till FY31. The company also carries a valid license for importing used battery and the quantity of imports are basically determined at an average import of past three years and installed capacity of the recycling plant |
| **Social** | Workers in the manufacturing plant with their prolonged exposure to Lead fumes can develop health complications. However, Nile provides proper personal equipment and latest pollution control equipment including Oxyfuel burner systems to minimise emissions. workers and staff are periodically tested for LIB (Lead in blood) and medical testing and no medical issues are reported. |
| **Governance** | The company is listed and minimal related party transactions were observed with group companies. No major audit observations were presented in the past. |

## Applicable criteria

Consolidation
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 and mining | Diversified metals | Diversified metals |

Nile was incorporated in 1987 as manufacturer of Glass Lined Equipment and in 1999, Nile ventured in to lead recycling and set up a plant with 3000 TPA non-ferrous division for the secondary manufacture of lead and lead alloys from used batteries and another lead-bearing scrap. In 1995, it installed a 2MW wind farm in Ramagiri, Andhra Pradesh. The glass-lined equipment division was later transferred to De Dietrich Process Systems India Private Limited on June 21, 2012. Nile has two lead recycling plants, one each in Choutuppal (capacity: 32,000 tonnes per annum) in Telangana and Tirupati (75,000 tonnes per annum) in Andhra Pradesh.

| Brief Financials (₹ crore) - Consolidated | March 31, 2025 (A) | March 31, 2026 (A) |
|---|---|---|
| Total operating income | 919.31 | 1,029.78 |
| PBILDT* | 58.13 | 80.59 |
| Profit after tax (PAT) | 40.83 | 59.73 |
| Overall gearing (x) | 0.04 | 0.00 |
| Interest coverage (x) | 56.97 | 91.26 |

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-Cash Credit | | - | - | - | 60.00 | CARE A-; Stable |
| Non-fund-based - ST-Letter of credit | | - | - | - | 30.00 | CARE A2+ |

## 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-Cash Credit | LT | 60.00 | CARE A-; Stable | - | 1)CARE A-; Stable (30-Jun-25) | 1)CARE A-; Stable (04-Jul-24) | - |
| 2 | Non-fund-based - ST-Letter of credit | ST | 30.00 | CARE A2+ | - | 1)CARE A2+ (30-Jun-25) | 1)CARE A2+ (04-Jul-24) | - |

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 | Non-fund-based - ST-Letter of credit | Simple |

## Annexure-5: Lender details

| |
|---|
| To view 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 | Nile Li-Cycle Private Limited | Full | Financial and operational linkages |
| 2 | Nirmalya Extracts Private Limited | Full | Financial and operational linkages |
| 3 | Nile Overseas Enterprise FZE | Full | Financial and operational linkages |

## Annexure-7: 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 |
| 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), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating notes subsequent to issuance(s), CARE Ratings 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 in 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.

[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

**Contact us**



| **Media Contact** | **Analytical Contacts** |
|---|---|
| Mradul Mishra<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3596<br>E-mail: mradul.mishra@careedge.in | Karthik Raj K<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-80-4662-5555<br>E-mail: karthik.raj@careedge.in |
| **Relationship Contact**<br><br>Saikat Roy<br>Senior Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3404<br>E-mail: saikat.roy@careedge.in | Y Tejeshwar Reddy<br>Associate Director<br>**CARE Ratings Limited**<br>Phone: +91-40-6793-7402<br>E-mail: Tejeshwar.Reddy@careedge.in<br><br>Saba Shaikh<br>Lead Analyst<br>**CARE Ratings Limited**<br>E-mail: Saba.Shaikh@careedge.in |



**About us:**

Established in 1993, CareEdge 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, CareEdge 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, CareEdge 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. CareEdge 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



**For detailed Rating Report and subscription information, please visit www.careratings.com**