Nirmala Swarup Securities Private Limited (Revised)

August 03, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	1.61	CARE B; Stable	Assigned
Long Term Bank Facilities	RBI	5.39	CARE B; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to Nirmala Swarup Securities Private Limited (NSSPL) are constrained due to below average financial risk profile characterised by high overall gearing with modest net worth base as on March 31, 2026, leading to highly leveraged capital structure. Rating is also constrained by very thin profitability, moderate debt coverage indicators and presence in competitive and fragmented industry. However, ratings derive strength from experienced promoters with a long track record of operations in the industry, growing scale of operations and a well-managed working capital cycle.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in scale of operations as marked by total operating income (TOI) above ₹500 crore with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of 1.5% and above on sustained basis.
- Improvement in capital structure with increase in net worth base leading to total outside liabilities (TOL) to tangible net worth (TNW) ratio below 6 times on sustained basis.

Negative factors

- Significant decline in TOI below ₹250 crore and reduction in PBILDT margin below 0.5% on sustained basis.
- Any unplanned capex leading to further deterioration in the capital structure and liquidity position of the company.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that NSSPL will continue to benefit from the extensive experience of its promoters and the sustained demand for metal products, which is expected to support steady business growth and operational performance in near to medium term.

Detailed description of key rating drivers

Key weaknesses

Thin profitability owing to trading business nature

NSSPL's operating as well as net profitability margins remained miniscule with PBILDT margin within the range of 0-1% in the past three years ended FY26. It stood thin at 0.40% during FY26, with a y-o-y moderation of 25 bps as company extended price benefit and better credit terms to attract the new customers. Profit after Tax (PAT) margin also stood modest at 0.20% during FY26 (PY: 0.26%).

Highly leveraged capital structure and moderate debt coverage indicators

The entity's capital structure stood highly leveraged, as marked by an overall gearing of 6.49x as on March 31, 2026 (5.65x as on March 31, 2025) with almost equal reliance on both working capital debt from bank and unsecured loans from promoters. The TOL/TNW ratio stood high at 9.60x as on March 31, 2026 (PY: 11.49x). Debt coverage indicators also stood strained, as marked by high total debt to gross cash accruals (TD/GCA) of 15.52x (PY: 9.67x) and total debt to PBILDT (TD/PBILDT) of 7.79x (PY: 4.29x) respectively in FY26.

[1]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

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Presence in competitive and fragmented industry

The scrap metal trading industry remains highly fragmented and intensely competitive, characterized by the presence of numerous unorganized participants due to relatively low entry barriers. Small and mid-sized players are particularly exposed to competitive pressures, as their limited scale constrains pricing flexibility and bargaining power with both suppliers and customers. This, in turn, restricts their ability to sustain operating margins in a competitive market environment. Further, the industry is inherently exposed to significant volatility in the prices of key metals such as copper and aluminium. Given that procurement costs constitute a substantial proportion of the operating expenses in the trading business, sharp fluctuations in metal prices can materially impact profitability, particularly where cost increases cannot be passed on to customers in a timely manner.

Key strengths

Extensive experience of promoters in the industry

NSSPL is promoted by Praveen Kumar Bansal, who brings over 20 years of industry experience and oversees the company's overall business operations. His extensive industry expertise and long-standing relationships with key stakeholders are expected to support the company's business operations and contribute to its future growth.

Growing scale of operations:

TOI of the company grew at a compounded annual growth rate (CAGR) of ~180% in last 5 years ended FY26 (Unaudited), grew from ₹5.32 crore in FY22 to ₹331.27 crore in FY26. On y-o-y basis, the TOI grew by 91.40%, from ₹173.07 crore in FY25 to ₹331.27 crore in FY26 driven by addition of new customers which resulted in y-o-y volume growth of 71%.

Well managed working capital cycle:

The company's working capital cycle remains efficiently managed, as reflected in its low operating cycle of ~4 days in FY26, compared with 8 days in the previous year. The efficient working capital management is primarily attributable to the company's predominantly cash-based transactions with both customers and suppliers, coupled with the maintenance of minimal inventory levels. This enables faster cash conversion and supports overall liquidity.

Liquidity: Stretched

Liquidity of the company remains stretched, reflected in average utilization of fund based working capital limits at ~78% against the sanctioned fund based working capital limit of ₹5.39 crore with maximum utilization remains between 98-100% multiple times during last twelve months ending June 2026. Further, company reported modest gross cash accruals (GCA) of ₹0.66 crore in FY26 (Prov.) and is expected to generate GCA of ~₹1.23 crore in FY27, which will tightly match with its long-term debt repayment obligations of ₹0.93 crore during the year. Despite the constrained liquidity profile, the company's liquidity is supported by adequate current ratio of 1.70x as on March 31, 2026 (PY: 1.29x) and positive cash flow from operations of ₹2.23 crore in FY26 (PY: -₹ 0.65 crore). Further, the company had unencumbered cash and bank balance of around ₹1.10 crore as of June 30, 2026.

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
Financial Ratios – Non financial Sector
Wholesale Trading
Non Ferrous Metal

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Metals & Minerals Trading	Trading - Metals

Nirmala Swarup Securities Private Limited (NSSPL) was incorporated in 2021 and is based out in Agra, Uttar Pradesh. The company is engaged in the business of wholesale trading of metal scrap materials majorly Copper and Aluminium and also has a 4000 sq. ft warehouse in Agra for sorting of scrap material. NSSPL is promoted by Mr. Praveen Kumar Bansal.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	64.97	173.07	331.27
PBILDT*	0.51	1.13	1.33
Profit after tax (PAT)	0.21	0.45	0.66
Overall gearing (x)	9.18	5.65	6.49
Interest coverage (x)	2.22	2.43	2.00

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

List of entities consolidated: Annexure-5

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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-Proposed fund based limits	RBI	Simple	-	-	-	-	1.61	CARE B; Stable
Fund-based-Long Term	RBI	Simple	-	-	-	-	5.39	CARE B; 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 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-Long Term	LT	5.39	CARE B; Stable	-	-	-	-
2.	Fund-based - LT-Proposed fund based limits	LT	1.61	CARE B; Stable	-	-	-	-

LT: Long term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details:

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated: Not applicable

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
-	-	-	-

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.

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