Press Release
METALLOYS RECYCLING LIMITED
December 11, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.40	ACUITE BBB- | Stable | Assigned	-
Bank Loan Ratings	88.60	ACUITE BBB- | Stable | Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	99.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of **'ACUITE BBB-' (read as ACUITE triple B minus)** on Rs.88.60 Cr. bank facilities of Metalloys Recycling Limited (MRL). The outlook remains **'Stable'**. Further, Acuite has assigned its long-term rating to **'ACUITE BBB-' (read as ACUITE triple B minus)** on Rs.10.40 Cr. bank facilities of Metalloys Recycling Limited (MRL). The outlook is **'Stable'**.

Rationale for rating

The reaffirmation reflects the steady scale of operations backed by stable revenue and marginal increase in profitability margins during H1FY26. The company is in the process of merging with Nico Extrusions Limited (NEL) which is in related business and the merger scheme has been submitted to National Company Law Tribunal (NCLT) in March 2024. The merger between MRL and NEL is pending before the NCLT which remains a key monitorable factor. The company has a moderate financial risk profile marked by increase in networth due to accretion of reserves, high gearing and moderate debt protection metrics. Furthermore, the company's liquidity position continues to remain adequate backed by sufficient accruals against debt repayments, moderate current ratio albeit high bank limit utilization. While the working capital cycle has marginally improved but remains intensive due to inventory days. The rating draws benefit from the management's extensive experience in the scrap recycling sector and established relationship with customers and suppliers. However, the rating is constrained by presence in the cyclical steel industry leading to pressure on margins and susceptibility to foreign currency fluctuations.

About the Company

Incorporated in 1987, MRL is a Mumbai based company promoted by Mr. Ambalal Porwal and Mr. Vijay Mohanlal Porwal, who possesses over 3 decades of experience in the industry. The company is engaged in the processing and trading of secondary ferrous and non-ferrous metals, and its main products are copper scrap, aluminium scrap, zinc scrap, brass scrap, magnesium scrap, nickel scrap and blended stainless-steel scrap. The products sold by MRL are used as basic raw materials for various copper alloys, various grades of brass, zinc alloys, aluminium alloys, nickel alloys and stainless-steel production.
MRL's processing unit is located at Kalyan (Thane), and office in Andheri (Mumbai). Present directors of the company are Mr. Ambalal Mohanlal Porwal, Mr. Vijay Mohanlal Porwal, Mr.

Shernikkumar Ranjitmalji Shah, Mr. Ratan Lal Narayan Jain, and Mrs. Nirmala Vijay Porwal.

Unsupported Rating
Not Applicable

Analytical Approach
Acuité has taken a standalone view of the business and financial risk profile of the company to arrive at the rating.

Key Rating Drivers

Strengths

Benefits derived from experience management
MRL is being promoted by Mr. Ambalal Mohanlal Porwal, Mr. Vijay Mohanlal Porwal, Mr. Shernikkumar Ranjitmalji Shah, Mr. Ratan Lal Narayan Jain, and Mrs. Nirmala Vijay Porwal who possess over 3 decades of experience in the industry. The extensive experience of the promoters and the established presence of the company have helped in maintaining healthy relations with reputed customers and suppliers. Acuite believes that the company will benefit from its experienced management and strong relation with its customers and suppliers.

Steady scale of operations
The operating income stood at Rs. 460.84 crore in FY2025 as against Rs. 431.40 crore in FY2024. This is mainly due to marginal increase in sales volume with better price realizations. Further, MRL achieved Rs.312.00 Cr. till November 2025. The outstanding order book stood at Rs.96.55 Cr. as of November 2025 with a rolling pipeline of new orders. The total time for processing scrap into finished products takes around 2 months.
The operating margin of the company remained at similar levels which stood at 3.23 percent in FY2025 as against 3.18 percent in FY2024. Forex fluctuations would remain a key monitorable factor as 90% of the raw materials are imported. The employee costs have decreased in FY25 as company is moving towards automation process, reducing reliance on manual labour. This shift is expected to continue, leading to further cost efficiencies in the coming years. The PAT margins stood at 1.00 percent in FY2025 as against 1.19 percent in FY2024 mainly due to increase in interest costs by 3% post removal of interest subvention on Export Packing Credit facility. Further, EBITDA and PAT margins stood at 3.70% and 1.06% respectively in H1FY26. Acuite believes the scale of operations will improve over the medium term backed by order inflow, merger plan and expansion in capacity plans.

Moderate Financial Risk profile

MRL has moderate financial risk profile marked by steady networth, high gearing and moderate debt protection metrics. The tangible net worth stood at Rs. 66.08 crore as on FY2025 as against Rs. 61.50 crore as on FY2024 due to small accretion of reserves. Gearing levels (debt-to-equity) weakened slightly and stood at 1.40 times in FY2025 as against 1.34 times in FY2024 due to higher short-term borrowings and debt undertaken for capex plans. The Total outside liabilities to total net worth (TOL/TNW) stood at 1.71 times as on FY2025 compared to 1.82 times as on FY2024. The debt protection metrics of the company stood moderate as indicated from the interest coverage ratio at 2.15 times for FY2025 as against 2.77 times in FY2024 and Debt Service Coverage Ratio stood at 1.42 times in FY2025 as compared to 1.49 times in FY2024. Acuite believes that going forward, the financial risk profile is expected to improve backed by merger plans.

Weaknesses

Intensive working capital cycle

The working capital cycle was intensive as reflected from GCA days of 128 days in FY2025 as against 135 days in FY2024. Inventory days stood at 78 days in FY2025 as against 88 days in FY2024, due to mixed scrap usage. Debtor days improved to 18 days in FY2025 as compared to 30 days in FY2024. The credit terms with customers are ~15-30 days. Further, Creditor days stood at 11 days in FY2025 as compared to 21 days in FY2024. The credit terms are 30 days. Acuite believes that the working capital cycle is likely to remain at similar levels over the medium term.

Rating Sensitivities

Timely merger with Nico Extrusion Limited
Movement in operating income and profitability margins
Working capital cycle
Debt protection metrics

Liquidity Position

Adequate

MRL's liquidity is adequate backed by sufficient Net Cash Accruals (NCA) of Rs. 6.04 crore against Long-Term Debt Repayment (CPLTD) of Rs. 2.18 crore in FY2025. Additionally, the Current Ratio stood comfortable at 1.49 times in FY2025. The average bank limit utilization for fund-based limits stood at ~ 95 percent for 6 months ended October 2025. The cash and bank balance stood at Rs. 3.42 crore as on FY2025. Furthermore, the company has capex plans to enhance their scale of operations which is expected to be funded by internal accruals. Acuite expects liquidity profile of the company to remain adequate due to sufficient accruals against debt repayments, moderate current ratio albeit high bank limit utilization over the medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	460.84	431.40
PAT	Rs. Cr.	4.59	5.14
PAT Margin	(%)	1.00	1.19
Total Debt/Tangible Net Worth	Times	1.40	1.34
PBDIT/Interest	Times	2.15	2.77

Status of non-cooperation with previous CRA (if applicable)
Not Applicable

Any other information
None

Applicable Criteria
• Default Recognition :- https://www.acuite.in/view-rating-criteria-52.htm
• Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Trading Entities: https://www.acuite.in/view-rating-criteria-61.htm

Note on complexity levels of the rated instrument
In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Aug 2025	Packing Credit	Long Term	7.60	ACUITE BBB- | Stable (Assigned)
	Cash Credit	Long Term	16.00	ACUITE BBB- | Stable (Reaffirmed)
	Cash Credit	Long Term	29.60	ACUITE BBB- | Stable (Reaffirmed)
	Cash Credit	Long Term	23.00	ACUITE BBB- | Stable (Reaffirmed)
	Packing Credit	Long Term	12.40	ACUITE BBB- | Stable (Reaffirmed)
17 May 2024	Cash Credit	Long Term	7.23	ACUITE BBB- | Negative (Reaffirmed)
	Cash Credit	Long Term	23.00	ACUITE BBB- | Negative (Assigned)
	Cash Credit	Long Term	5.10	ACUITE BBB- | Negative (Assigned)
	Cash Credit	Long Term	24.50	ACUITE BBB- | Negative (Reaffirmed)
	Cash Credit	Long Term	6.63	ACUITE BBB- | Negative (Assigned)
	Cash Credit	Long Term	5.77	ACUITE BBB- | Negative (Reaffirmed)
	Cash Credit	Long Term	7.50	ACUITE BBB- | Negative (Reaffirmed)
	Cash Credit	Long Term	1.27	ACUITE BBB- | Negative (Assigned)
26 Apr 2024	Cash Credit	Long Term	7.50	ACUITE BBB- | Negative (Reaffirmed)
	Cash Credit	Long Term	5.77	ACUITE BBB- | Negative (Reaffirmed)
	Cash Credit	Long Term	24.50	ACUITE BBB- | Negative (Reaffirmed)
	Cash Credit	Long Term	7.23	ACUITE BBB- | Negative (Reaffirmed)
01 Feb 2023	Cash Credit	Long Term	7.50	ACUITE BBB- | Stable (Upgraded from ACUITE BB+ | Stable)
	Cash Credit	Long Term	5.77	ACUITE BBB- | Stable (Upgraded from ACUITE BB+ | Stable)
	Cash Credit	Long Term	24.50	ACUITE BBB- | Stable (Upgraded from ACUITE BB+ | Stable)
	Cash Credit	Long Term	7.23	ACUITE BBB- | Stable (Upgraded from ACUITE BB+ | Stable)
21 Nov 2022	Cash Credit	Long Term	7.50	ACUITE BB+ | Stable (Reaffirmed)
	Cash Credit	Long Term	5.77	ACUITE BB+ | Stable (Reaffirmed)
	Cash Credit	Long Term	24.50	ACUITE BB+ | Stable (Reaffirmed)
	Cash Credit	Long Term	7.23	ACUITE BB+ | Stable (Reaffirmed)
	Cash Credit	Long Term	3.50	ACUITE BB+ | Stable (Upgraded from ACUITE BB- | Stable)
	Proposed Long Term	Long		ACUITE BB+ | Stable (Upgraded from

24 Jan 2022	Bank Facility	Term	3.73	ACUITE BB- | Stable)
	Cash Credit	Long Term	24.50	ACUITE BB+ | Stable (Upgraded from ACUITE BB- | Stable)
	Cash Credit	Long Term	5.77	ACUITE BB+ | Stable (Upgraded from ACUITE BB- | Stable)
	Cash Credit	Long Term	7.50	ACUITE BB+ | Stable (Upgraded from ACUITE BB- | Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE BBB- | Stable | Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	29.60	Simple	ACUITE BBB- | Stable | Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	23.00	Simple	ACUITE BBB- | Stable | Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.40	Simple	ACUITE BBB- | Stable | Assigned
H D F C Bank Limited	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB- | Stable | Reaffirmed

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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