February 17, 2026

NIS Management Limited: Ratings reaffirmed; outlook revised to Positive

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund based – Term loan	9.37	5.40	[ICRA]BBB+ (Positive); reaffirmed with change in outlook from Stable
Long-term - Fund based – Cash credit**	71.00	71.00	[ICRA]BBB+ (Positive); reaffirmed with change in outlook from Stable
Short-term - Fund-based – Standby line of credit	3.50	3.50	[ICRA]A2; reaffirmed
Short-term - Non-fund based – Bank guarantee	22.00	22.00	[ICRA]A2; reaffirmed
Long term/ Short term – Unallocated limits	-	3.97	[ICRA]BBB+ (Positive)/ [ICRA]A2; reaffirmed with change in outlook from Stable
Total	**105.87**	**105.87**	

**Instrument details are provided in Annexure I; **Includes sub-limits for WCDL*

Rationale

The revision in the outlook on the long-term rating of NIS Management Limited (NIS), which is mainly involved in providing security and facility management services, considers an expected improvement in the company's overall credit profile in the near-to-medium term, following equity infusion through its initial public offering (IPO) in the current fiscal and an uptick in fresh contracts in the recent past. The company has received net IPO proceeds of Rs. 45.6 crore (after issue-related expenses), which would be mainly utilised to meet the working capital requirement for new contracts, thus reducing reliance on external borrowing for business growth. This along with recent reduction of interest rates on working capital and rise in earnings, in tandem with the revenue growth, are expected to strengthen NIS' debt coverage metrics. The company's consolidated interest coverage, which stood at 3.0 times in FY2025, is likely to improve steadily, going forward.

NIS' consolidated revenue growth stood at 6% in FY2025 and is likely to remain moderate in the current fiscal as well. However, significant fresh contracts secured in the recent past are likely to result in a double-digit revenue growth in FY2027. The company's consolidated operating margin moderated to 6.6% in FY2025 from 8.4% in FY2024 due to reduction in the share of revenues from the relatively high-margin business segments. However, ICRA notes that NIS' operating margin remains comfortable in comparison to other established players in the industry. In H1 FY2026, the company's operating margin improved by 95 basis points to 7.4% on a YoY basis, however, the same in the full year of FY2026 is likely to converge to the FY2025 level. Nevertheless, Government incentives (mainly income tax benefits and partial reimbursement of employer's contribution to provident fund) linked to fresh recruitment of manpower are likely to support the company's profits, to some extent.

The ratings continue to factor in the extensive experience and established market position of NIS in the domestic security and facility management business, particularly in West Bengal, and the company's long relationships with its reputed client base, leading to repeat orders. ICRA notes the Group's association with Government-sponsored skill development programme and vocational training, which helps NIS in recruiting and training its large manpower. The ratings consider NIS' conservative capital structure due to its healthy net worth, aided by sizeable accretion to reserves over the years, despite an increase in working capital borrowings after the pandemic, and equity infusion through the recent IPO. However, the fragmented and intensely competitive nature of the private security industry would keep the players exposed to contract renewal risks and restrict pricing flexibility, exerting pressure on profit margins. Tightening of compliance requirements, however, augurs well for the growth of the organised players like NIS in the medium-to-long term. NIS remains vulnerable to high geographical concentration risk as the major portion (around 68% in H1 FY2026) of its turnover is generated from West Bengal, notwithstanding a gradual increase in the share of revenues from other states in recent years. Besides, the ratings are constrained by NIS' high working capital intensity of operations due to elevated debtor days and sizeable income tax receivables, which encumber liquidity to some extent. The new labour codes announced by the Government are likely to provide tailwind to the market share growth of the organised manpower service players like NIS amid enhanced compliance requirements, however, the impact of the new codes on the company's profitability remains monitorable.

Key rating drivers and their description

Credit strengths

Significant operational track record and established market position in the security services and facility management business, particularly in West Bengal – NIS is one of the established players in the organised security services and facility management industry. It has a strong market position, particularly in West Bengal, where it has a long presence. NIS provides security services and facility management services including housekeeping, integrated facility management, technical maintenance and support, etc. The promoters, Mr. Debajit Choudhury and Mrs. Rina Choudhury, have vast experience in the manpower outsourcing and security services industry.

Established relationships with reputed clientele leads to repeat business – NIS has established relationships with a wide customer base (more than 600) comprising several reputed Government as well as private companies. This helps the company get repeat business from the clients, supporting revenue growth.

In-house training and technological capabilities of subsidiaries lend operational strength – NIS' subsidiary, Keertika Academy Private Limited, is involved in manpower training/skill development under various Government schemes. Another subsidiary, Keertika Education & Associates LLP, runs vocational training institutes in West Bengal. The Group's presence in such activities lends operational strength to NIS, aiding in recruiting and training its large number (nearly 18,000) of employees. Besides, NIS uses software developed by a subsidiary and a Group entity for cyber security, automated monitoring of workforce, etc., which strengthen its operational capabilities and provide scopes for deriving additional revenues from such services, going forward.

Conservative capital structure – The company's debt mainly comprises working capital loans, which formed around 85% of the consolidated total debt as on March 31, 2025. NIS' consolidated debt level increased after FY2021, mainly due to rising working capital requirements on the back of a recovery in turnover after the pandemic and high working capital intensity of operations. Nevertheless, its healthy tangible net worth, aided by sizeable accretion to reserves over the years, kept the capital structure conservative, as reflected in a consolidated gearing of 0.6 times and TOL/TNW of 0.7 times as on March 31, 2025. With equity infusion through IPO in the current fiscal (net proceeds of Rs. 45.6 crore), the capital structure improved further, with the gearing and TOL/TNW declining to 0.4 times and 0.5 times, respectively, as on September 30, 2025. The company's debt level is likely to decline, going forward, with repayment of long-term debt and an equity-funded business growth using the IPO proceeds.

Credit challenges

Fragmented and competitive nature of the industry gives rise to contract renewal risks and restricts pricing flexibility, keeping profitability under check – The company derives almost equal revenues from the security service and facility management segments. As per the industry practice, the company follows a wage-plus-service-charge model for the manpower provided to most of the customers, barring integrated facility management and CCTV/sensor camera-based surveillance, which fetch higher margins owing to comparatively value-added nature of the services. The industry is fragmented and intensely competitive in nature with the presence of many organised and unorganised players. This leads to a significant price-based competition, giving rise to contract renewal risk and keeping margins under check, primarily in the security service segment. Nevertheless, price-based competition from the unorganised players is likely to ease owing to an increase in formalisation, along with tightened compliance requirements.

Revenue highly concentrated in West Bengal – The company's sales are concentrated in West Bengal, from where it derived around 68% of its total revenues in H1 FY2026. Nevertheless, the company has a large customer base and is expanding its presence in other states, which is leading to an improvement in its geographical diversification, as reflected in a gradual reduction in West Bengal's share in NIS' revenues from around 82% in FY2023.

Sizeable debtors and income tax receivables resulting in high working capital intensity of operations – NIS' debtor days remained high in the recent years (105 and 114 on a standalone and consolidated basis, respectively, in FY2025) because of delay in receipt of payments particularly from the Government and public sector customers. This, along with sizeable income tax (IT) receivables (around Rs. 45 crore as on March 31, 2025 on a standalone basis), resulted in a high net working capital relative to the operating income (NWC/OI) of more than 40% over the last five fiscals, exerting pressure on NIS' liquidity to an extent.

Environmental and social risks

Environmental considerations: The exposure to environmental risks is low as the company is involved in the manpower outsourcing business.

Social considerations: Social risks for the manpower outsourcing industry include the challenges associated with availability of suitably skilled manpower, management of a large workforce and compliance with employment-related regulations. However, the company's increased emphasis on regulatory compliance on the back of streamlining of labour codes would help mitigate regulatory risks. Besides, stricter compliance requirements are driving a shift towards organised manpower service providers, which benefits established players such as NIS.

Liquidity position: Adequate

NIS' liquidity position is likely to remain adequate. Its consolidated cash flow from operations (CFO) remained modest at around Rs. 4 crore in FY2025 due to some margin compression and an increase in the working capital requirement in tandem with revenue growth. However, the company's CFO is likely to improve and remain healthy in the near-to-medium term with an increase in earnings. NIS and its subsidiaries do not have any major capex plans and have limited term debt, out of which around Rs. 9 crore (including prepayment) will be repaid in the current fiscal, and repayment obligation for FY2027 will be reduced to around Rs. 3 crore. There is limited cushion in the company's working capital limit at present. However, the net IPO proceeds of Rs. 45.6 crore received in the current fiscal is mainly earmarked for capital requirement for business growth. The unutilised IPO proceeds of around Rs. 40 crore at present and a moderate level of free cash (around Rs. 10 crore as on March 31, 2025) are likely to support the liquidity position.

Rating sensitivities

Positive factors – ICRA may upgrade NIS' ratings if the company is able to demonstrate a sustained traction in fresh contracts, providing visibility of a healthy revenue ramp-up, while keeping its profitability resilient amid a competitive environment and an evolving regulatory landscape. Improvement in the debt coverage metrics and liquidity position would also remain the key factors for upgrade of the ratings.

Negative factors – A sustained deterioration in the company's profitability, debt coverage metrics and/or a stretch in the working capital cycle, adversely impacting the liquidity position, may trigger ratings downgrade. Specific credit metrics that may lead to ratings downgrade include a consolidated interest coverage of less than 3.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#)
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of NIS. Refer to the Annexure II for the list of entities considered for consolidation.

About the company

NIS is the flagship entity of the Kolkata-based NIS Group, promoted by Mr. Debajit Choudhury and Mrs. Rina Choudhury. It commenced operations in 1985 as a firm called National Investigation and Security for providing integrated security solutions. In March 2006, the firm was converted into a private limited company named NIS Management Private Limited. In June 2018, the company was converted into a public limited company and its name was changed to NIS Management Limited from the erstwhile NIS Management Private Limited. The company got listed on the SME platform of BSE in September 2025. NIS provides manpower outsourcing services like security services, facility management including housekeeping, integrated facility management, technical maintenance and support, etc., across 14 states in India. The company has an employee strength of nearly 18,000, at present.

Key financial indicators (audited)

NIS	Standalone			Consolidated		
	FY2024	FY2025	H1 FY2026*	FY2024	FY2025	H1 FY2026*
Operating income	352.7	373.9	204.0	378.0	402.2	214.0
PAT	15.6	15.2	9.1	18.4	18.7	10.2
OPBDIT/OI	7.6%	5.7%	6.5%	8.4%	6.6%	7.4%
PAT/OI	4.4%	4.1%	4.5%	4.9%	4.6%	4.8%
Total outside liabilities/Tangible net worth (times)	0.7	0.6	0.4	0.9	0.7	0.5
Total debt/OPBDIT (times)	2.6	3.2	2.7	2.9	3.1	2.7
Interest coverage (times)	3.5	3.0	3.3	3.2	3.0	3.3

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs. crore; *Unaudited*
PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs crore)	Feb 17, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long Term	5.40	[ICRA]BBB+ (Positive)	Mar 24, 2025	[ICRA]BBB+ (Stable)	Nov 21, 2023	[ICRA]BBB+ (Stable) ISSUER NOT COOPERATING*	Aug 04, 2022	[ICRA]BBB+ (Stable)
				-	-	Jan 31, 2024	[ICRA]BBB+ (Stable)	-	-
Fund-based-Cash credit	Long Term	71.00	[ICRA]BBB+ (Positive)	Mar 24, 2025	[ICRA]BBB+ (Stable)	Nov 21, 2023	[ICRA]BBB+ (Stable) ISSUER NOT COOPERATING*	Jul 19, 2022	[ICRA]BBB+ (Stable) ISSUER NOT COOPERATING*
				-	-	Jan 31, 2024	[ICRA]BBB+ (Stable)	Aug 04, 2022	[ICRA]BBB+ (Stable)
Fund-based-Standby line of credit	Short Term	3.50	[ICRA]A2	Mar 24, 2025	[ICRA]A2	Jan 31, 2024	[ICRA]A2	-	-
Bank guarantee	Short Term	22.00	[ICRA]A2	Mar 24, 2025	[ICRA]A2	Nov 21, 2023	[ICRA]A2 ISSUER NOT COOPERATING*	Jul 19, 2022	[ICRA]A2 ISSUER NOT COOPERATING*
				-	-	Jan 31, 2024	[ICRA]A2	Aug 04, 2022	[ICRA]A2
Unallocated limits	Long Tem/ Short Term	3.97	[ICRA]BBB+ (Positive)/ [ICRA]A2	-	-	-	-	-	-

**Issuer did not cooperate; based on best-available information*

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund based – Term loan	Simple
Long-term - Fund based – Cash credit	Simple
Short-term - Fund-based – Standby line of credit	Simple
Short-term - Non-fund based – Bank guarantee	Simple
Long term/ Short term – Unallocated limits	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	Nov 22, 2021	-	Dec 2026	5.40	[ICRA]BBB+ (Positive)
NA	Cash Credit*	-	-	-	71.00	[ICRA]BBB+ (Positive)
NA	Standby Line of Credit	-	-	-	3.50	[ICRA]A2
NA	Bank Guarantee	-	-	-	22.00	[ICRA]A2
NA	Unallocated limits				3.97	[ICRA]BBB+ (Positive)/ [ICRA]A2

*Source: Company; *Includes sub-limits towards WCDL*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis:

Company Name	NIS Ownership	Consolidation Approach
NIS Facility Management Services Private Limited	100.00%	Full Consolidation
NIS Ace Management Private Limited	99.86%	Full Consolidation
Keertika Academy Private Limited	99.86%	Full Consolidation
Keertika Education & Associates LLP	99.97%	Full Consolidation
Achilles Resolute Private Limited	51.00%	Full Consolidation

Source: NIS' annual report for FY2025

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