

Skipperseil Limited

March 28, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	1.16	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	60.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	38.00	CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

Skipperseil Limited (SSL) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Limited's (CARE Ratings') rating on SSL's bank facilities will now be denoted as "CARE BB+; Stable;/CARE A4+ ISSUER NOT COOPERATING*".

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings continue to remain constrained by SSL's working capital-intensive nature of operations with stretched collection period and client and geographical concentration risk. The ratings also continue to remain constrained by the intense competition in the industry and profitability being prone to volatility in raw material prices. However, the ratings continue to derive strength from experienced promoter and management, long track record of execution of projects, moderate revenue visibility and moderate financial risk profile.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects CARE's expectation that the operational and financial performance of Skipperseil limited will continue to derive benefits from their experienced promoters and healthy order book.

Detailed description of key rating drivers:

Key weaknesses

Elongated Working Capital Cycle

The working capital cycle of the company continued to remain elongated and stood at 379 days in FY24 (refers to the period from April 01, 2023 to March 31, 2024) which moderated from 417 days in FY23 (refers to the period from April 01, 2022 to March 31, 2023). The collection days of the company stood at 406 days in FY24 which moderated from 426 days in FY23. The collection days of the company generally remain elongated due to retention money which is generally 10% of the total project cost which is released once the contract terms are ended including the warranty period which is ~24 months. The inventory days of the company also moderated to 87 days in FY24 (PY:127 days). The company also has moderated creditor days with 114 days in FY24(PY:136 days).

Client and geographical concentration risk

The top 5 customers for FY24 accounted for ~86% of total sales of FY24. SSL is exposed to geographical concentration risk also as majority of their orders are from clients of African countries. This is however mitigated largely through financing by multilateral funding agencies like World Bank, African Development Bank or EXIM Bank, thereby reducing the counterparty risk and aims to expand more business in India, Ghana and Ethiopia.

Key strengths

Moderate Financial Risk Profile

The financial risk profile of the company stands moderate with healthy net worth base, moderate overall gearing and debt coverage indicators. The capital structure of the company as marked by the overall gearing ratio also stood comfortable at 0.19x in as on March 31, 2024 (PY:0.31x). The company has low long-term loan and relies majorly on working capital borrowing for their daily operations. On account of moderated PBILDT margin in FY24, the interest coverage ratio moderated to from 2.34x in FY24 (PY:3.72x) with Total Debt/GCA at 3.51x in FY24.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Experienced promoters & management Mr. Jitender Kumar Sachdeva, founder & promoter of the company, has over 30 years of experience in manufacturing of transformers and other power system equipment, execution of turnkey projects in power transmission and distribution. Mr. Surinder Kumar Negi, CEO & President of SSL is an electrical engineer with more than 30 years of experience in power transmission and distribution, design & engineering of EHV substations and Project Management. The promoters are ably supported by a team of experienced professionals who looked after various functions. SSL employs more than 250 personnel in its plants and offices.

Long track of operation

SSL has more than two decades of satisfactory operation in Africa, India and Nepal in transformer segment. It has successfully installed more than 1,000 power transformers in the past. SSL's power system equipment meets stringent international norms and hence has been approved by clients in Africa, Middle East and India. In EPC segment, the group has successfully executed several projects (including setting up substation, rural electrification, transmission line setup) in Africa and India for more than a decade.

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Electrical Equipment	Heavy Electrical Equipment

Mr. Jitender Sachdeva incorporated M/s Electrical Control Devices in 1986 as a Delhi-based proprietorship firm for trading of power system equipment. The firm was converted into private limited company named Skipper Electricals (India) Pvt Ltd on May 23, 1989. It was again reconstituted to a public limited company named Skipper Electricals (India) Ltd on October 21, 1994. The company was amalgamated with a Jaipur-based company Seil Powergears Ltd (which was incorporated on March 28, 1995) with new registered office at Jaipur. Subsequently, Skipper Electricals (India) Ltd was renamed to SkipperSeil Ltd (SSL) on September 18, 2015. SSL is an integrated energy firm with focus on Electrical Innovation, Design, Manufacturing and Engineering. SSL has been serving the power sector in India and across the globe since 1986. SSL commenced its operations with manufacturing of substation equipment and subsequently forward integrated to EPC for EHV transmission lines and substations for utilities, institutions and industries up to 400 kV.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	120.18	127.94
PBILDT	15.82	9.88
PAT	4.59	5.48
Overall gearing (times)	0.31	0.19
Interest coverage (times)	3.72	2.34

A: Audited; Note: these are latest available financial results

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 2025	1.16	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Cash Credit		-	-	March 2025	38.00	CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-BG/LC		-	-	-	60.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*

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

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	1.16	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (29-Mar-24)	1)CARE BB+; Stable (06-Mar-23) 2)CARE BB+; Stable (19-Apr-22)	-
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	60.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (29-Mar-24)	1)CARE BB+; Stable / CARE A4+ (06-Mar-23) 2)CARE BB+; Stable / CARE A4+ (19-Apr-22)	-
3	Fund-based - ST-Cash Credit	ST	38.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A4+ (29-Mar-24)	1)CARE A4+ (06-Mar-23) 2)CARE A4+ (19-Apr-22)	-

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

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 - ST-Cash Credit	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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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About us:

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