Ishwar Metal Industries

December 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	25.00 (Reduced from 31.00)	CARE BB-; Stable	Upgraded from CARE B+; Stable
Short Term Bank Facilities	26.50 (Enhanced from 22.19)	CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Ishwar Metal Industries (IMI) takes into consideration improvement in scale of operations and capital structure during FY25 (audited, period refers from April 01 to March 31). Ratings also take into consideration receipt of long pending receivables during FY25 and continue to derive strength from vast experience of partners in the industry. However, it continues to remain constrained due to moderate profitability margins, weak debt coverage indicators, fragmented nature of industry with tender-based nature of operations, partnership nature of constitution and stretched liquidity.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations marked by Total operating income (TOI) above Rs.150 crore and PBILDT interest coverage above 2x on sustained basis
- Sustained improvement in adjusted overall gearing below 2x

Negative factors

- Deterioration in liquidity profile with operating cycle above 200 days

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that entity will sustain its overall financial risk profile and continue to benefit from experience of partners in the industry.

Detailed description of key rating drivers:

Key weaknesses

Moderate profitability margins

Profitability margins moderated as marked by PBILDT margin of 6.94% in FY25 as against 9.06% in FY24 due to increase in raw material cost and job work expenses in FY25. However, despite moderation in operating profits, PAT margin stood at 1.69% in FY25 as against 1.65% in FY24 with lower depreciation and finance cost in FY25. During H1FY26, profitability margins remained moderate as marked by PBILDT margin of 8.08% and PAT margin of 2.17%.

Weak debt coverage indicators

Debt coverage indicators though improved, continued to remain weak as marked by interest coverage of 1.55x as on March 31, 2025, as against 1.49x as on March 31, 2024. TDGCA also remained weak at 17.02x as on March 31, 2025, as against 19.76x as on March 31, 2024. Debt coverage indicators remained moderate as marked by interest coverage of 1.75x and TDGCA of 17.93x as on September 30, 2025.

Fragmented nature of industry with tender-based nature of operations

The power infrastructure sector in India is fragmented with a large number of small and mid-sized players. This coupled with tendering process in order procurement results in intense competition within the industry, fluctuating revenues and restrictions in profitability. Additionally, continued increase in execution challenges including delays in land acquisition, regulatory clearances, aggressive bidding, interest rate risk and delays in project due to environmental clearance are other external factors that affect the credit profile of industry players including downstream players such as IMI.

Partnership nature of constitution

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

Being a partnership firm, IMI is exposed to inherent risk of partners' capital being withdrawn at time of personal contingency, and firm being dissolved upon the death/retirement/insolvency of partners which may affect financial flexibility of the firm. However, partners have infused Rs.2.30 crore during FY25.

Key strengths

Improvement in scale of operations albeit remained moderate

Scale of operations improved and remained moderate as marked by Total operating income (TOI) of Rs.120.62 crore in FY25 as against Rs.100.54 crore in FY24. IMI executes turnkey projects for power transmission and distribution and supplies manufactured armoured and unarmoured cables, aluminium wires, conductors etc. for projects. It reported TOI of Rs.53.86 crore till H1FY26 and expects to achieve ~Rs.125 crore in FY26.

Improvement in capital structure

Capital structure improved as marked by overall gearing of 1.21x as on March 31, 2025, as against 1.40x as on March 31, 2024, with scheduled repayment of term loans, low working capital utilisation and accretion of profits to reserves during FY25. Overall gearing stood at 1.35x as on September 30, 2025.

Vast experience of partners in business

Ishwar group was started with IMI in 1992. The firm has long and established track record of operations in manufacturing aluminium wires, cables, energy meters and other products used by power industry. Mr. Shrichand Sigar is managing partner who has more than four decades of experience in the industry. Further, Mr. Rahul Choudhary is Chief Executive Officer and is a management graduate and has more than a decade's experience in the industry. He looks after day-to-day operations of the firm.

Liquidity: Stretched

Liquidity position continued to remain stretched due to elongated operating cycle and low cash and bank balance. Although the operating cycle improved to 149 days in FY25 from 162 days in FY24, it continued to remain elongated. Cash and balance remained low at Rs.0.13 crore as on March 31, 2025. However, IMI reported sufficient GCA of Rs.2.50 crore as against debt obligations of Rs.1.39 crore arising in FY26. Current ratio stood comfortable at 1.48x as on March 31, 2025. Further, IMI received Rs.19.14 crore in FY25 from Dakshin Haryana Bijli Vitran Nigam which aided in liquidity, out of total ~Rs.38 crore pending receivables since 2016, with the balance expected to be realized in near term.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
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	Industrial Products	Cables - Electricals

Jaipur (Rajasthan)-based Ishwar Metal Industries (IMI) was formed as partnership concern in 1992 by Mr. Shrichand Sigar and his family members. IMI is engaged in manufacturing of aluminium wires, energy meters, cables and conductors as well as trading of general fabrication items used for power distribution and transmission lines. It also executes turnkey projects related to Transmission and Distribution (T&D) segment of power industry majorly for Jaipur Vidyut Vitran Nigam Limited (JVVNL) and Jodhpur Vidyut Vitran Nigam Limited (JDVVNL).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	HIFY26 (UA)
Total operating income	100.54	120.62	53.86
PBILDT	9.11	8.37	4.35
PAT	1.66	2.04	1.17
Overall gearing (times)	1.40	1.21	1.35
Interest coverage (times)	1.49	1.55	1.75

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

Status of non-cooperation with previous CRA:

ICRA has continued the rating assigned to the bank facilities of RCL into Issuer Not Cooperating category vide press release dated July 17, 2025, on account of its inability to carry out a review in the absence of the requisite information from the entity.

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		-	-	-	25.00	CARE BB-; Stable
Non-fund-based - ST-BG/LC		-	-	-	26.50	CARE A4

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 2025-2026	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
1	Fund-based - LT-Cash Credit	LT	25.00	CARE BB-; Stable	-	1)CARE B+; Stable (07-Oct-24)	1)CARE B-; Stable (14-Sep-23)	1)CARE D (28-Jul-22)
2	Non-fund-based - ST-BG/LC	ST	26.50	CARE A4	-	1)CARE A4 (07-Oct-24)	1)CARE A4 (14-Sep-23)	1)CARE D / CARE D (28-Jul-22)

LT: Long term; ST: 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-BG/LC	Simple

Annexure-5: Lender details

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

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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