SHALIMAR WIRES INDUSTRIES LIMITED

January 05, 2026

Facilities	Amount (₹ crore)	Ratings[1]	Rating Action
Long-term bank facilities	46.39	CARE BB+; Stable	Assigned
Short-term bank facilities	3.61	CARE A4+	Assigned

Details of facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Shalimar Wires industries Limited (SWIL) continue to be constrained by its weak debt protection metrics, working capital-intensive nature of operations and vulnerability of profitability from adverse fluctuation in raw material prices. The ratings, however, draw comfort from the experience of the promoters, increasing scale of operations along with healthy operating margins over the years and satisfactory capital structure in FY25 (refers to April 01 to March 31).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale of operations along with ROCE above 15% on a sustained basis.
- Improvement in debt coverage indicators with TDGCA going below 2.25x on a sustained basis.

Negative factors

- Moderation in scale of operations with operating margin going below 15% on a sustained basis.
- Moderation in debt coverage indicators with TDGCA going above 4x on a sustained basis.
- Elongation in operating cycle beyond 110 days.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings' opinion that the entity is likely to benefit from extensive experience of the promoters.

Detailed description of key rating drivers:

Key weaknesses

Working capital intensive nature of operation

The business of the company is working capital intensive in nature marked by high inventory days and collection period of 144 days (134 days in FY23) and 75 days (77 days in FY23) respectively in FY25. The high inventory days and collection period is supported by high creditor days of 148 days in FY25 (121 days in FY23). This led to a moderate operating cycle of 70 days in FY25 (90 days in FY23).

Weak debt protection metrics

Debt coverage indicators such as PBILDT interest coverage improved from 0.38x as of March 31, 2021, to 1.91x as of March 31, 2025. TDGCA also improved from negative as of March 31, 2021, to 3.10x as of March 31, 2025.

Vulnerability of profitability from adverse fluctuation in raw material prices

As large share of the raw materials for manufacturing are imported, the profitability of the company remains exposed to fluctuations in raw material prices. The profitability indicators remain exposed to volatility and linkage between price movement of raw material used in production. The imports are exposed to foreign exchange fluctuation risk which is mitigated to an extent with natural hedge from exports.

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

Key strengths

Experience of promoters

With over four decades of experience in the paper machinery products industry, the promoters possess deep market insights and maintain strong relationships with suppliers and customers. These strengths are expected to support the company's growth and operational stability. The company is led by Sunil Khaitan, Chairman and Managing Director, and Vedant Khaitan, Joint Managing Director, who oversee operations alongside a team of seasoned professionals.

Increasing scale of operations along with healthy operating margins

Total Operating Income (TOI) grew at a compound annual growth rate (CAGR) of ~8% in the last five years ending FY25 and stood at ~₹132 crore in FY25 compared to ₹88 crore in FY21. Despite this steady growth, the overall scale of operations continues to remain modest. Operating profitability exhibited an increasing trend with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin increasing from 6.78% in FY21 to 19.08% in FY25. On a year-on-year basis, the PBILDT margin improved from 15.72% in FY24 to 19.08% in FY25, primarily driven by higher sales realizations.
In H1FY26, TOI grew by ~6% y-o-y and stood at ~₹69 crore, while the PBILDT margin improved to 22.22% in H1FY26 compared to 20.49% in H1FY25.

Satisfactory capital structure in FY25

The company's capital structure stood satisfactory with overall gearing of 0.45x as of March 31, 2025, compared to 3.23x as of March 31, 2021. The significant improvement is majorly on account of considering unsecured loans amounting to Rs.65 crore as quasi equity as on March 31, 2025. Its debt profile mainly consists of working capital borrowings, unsecured loans and capex LC against the project being undertaken by the company.

Liquidity: Adequate

The liquidity profile of the company remains adequate as the company earned gross cash accruals (GCA) of ₹14.94 crore in FY25 compared to a debt repayment obligation of ₹2.48 crore. In FY26, the company has a debt repayment obligation of ₹0.78 crore and is expected to generate sufficient cash accruals to meet the same. The average fund-based utilisation stood high at 88% in the 12 months ended September 2025, with occasional use of ad-hoc limits, as and when required.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Paper & Paper Products
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Forest Materials	Paper, Forest & Jute Products	Paper & Paper Products

SWIL, based in Kolkata, is a public limited company incorporated in September 1996 by Sunil Khaitan. SWIL specializes in the manufacturing of synthetic and metallic fourdrinier wire cloth and dandy rolls, which are critical components in the paper, pulp, and board industries. It operates manufacturing facilities in Uttarpara, West Bengal, with an installed capacity of 4,50,000 sq m for synthetic fabric, 40,000 sq m for metal fabric, and 25 units for dandy rolls as on March 31, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	128.50	131.94	68.82
PBILDT*	20.20	25.17	15.29
Profit after tax (PAT)	1.47	2.34	2.50
Overall gearing (x)	0.30	0.45	0.42
Interest coverage (x)	1.61	1.91	2.22

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

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	22.30	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	August 2028	2.35	CARE BB+; Stable
Non-fund-based - LT-Letter of credit		-	-	-	21.74	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	1.00	CARE A4+
Non-fund-based - ST-Loan Equivalent Risk		-	-	-	2.61	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-Term Loan	LT	2.35	CARE BB+; Stable				
2	Fund-based - LT-Cash Credit	LT	22.30	CARE BB+; Stable				
3	Non-fund-based - LT-Letter of credit	LT	21.74	CARE BB+; Stable				
4	Non-fund-based - ST-Bank Guarantee	ST	1.00	CARE A4+				
5	Non-fund-based - ST-Loan Equivalent Risk	ST	2.61	CARE A4+				

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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT-Letter of credit	Simple
4	Non-fund-based - ST-Bank Guarantee	Simple
5	Non-fund-based - ST-Loan Equivalent Risk	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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About us:

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