

## Skipper Limited

January 13, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Short Term Bank Facilities	150.00	CARE A1	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to bank facilities of Skipper Limited (SL) derive strength from its established market position in transmission and distribution (T&D) structures and an experienced promoter-management team. The company's vertically integrated manufacturing model with spanning design, hot-rolling, fabrication, galvanizing to load-testing and a diversified business mix that also includes transmission-line, engineering, procurement and construction (EPC) and a polymer pipes & fittings division underpin its competitive position. A healthy order-book in the engineering and infra verticals provide medium-term revenue visibility and supports the current scale of operations. Ratings also draw comfort from sustained growth in its scale of operations, stable operating profitability and moderate capital structure.

However, ratings are constrained by inherent working-capital-intensive nature of operations, exposure to tender-driven demand and sector cyclicity, competitive intensity and moderate capacity expansion plans in the near term.

CARE Ratings Limited (CareEdge Ratings) expects SL's operating income and profitability to remain stable in the near term, supported by timely execution of its order book and calibrated capacity additions.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Reduction in reliance on creditors and bank borrowings (including letter of credit [LC] acceptances) to fund its working capital requirement below 70% on a sustained basis.
- Sustained growth in total operating income (TOI) and improvement in operating margins above 10% on a sustained basis.

#### Negative factors

- Substantial decline in TOI and operating margins below 8% on a sustained basis.
- Increase in total outside liabilities to tangible net worth (TOL/TNW) above 2.5x and interest coverage going below 1.5x.

**Outlook:** Not applicable

### Analytical approach: Consolidated

CareEdge Ratings adopts a consolidated approach, factoring in the business and financial profiles of SL and its joint venture, Skipper Metzer India LLP, as the JV's debt is backed by a corporate guarantee from SL. The list of consolidated entities is presented in Annexure-6.

### Detailed description of key rating drivers:

#### Key strengths

##### Experienced promoter group, Established market position and diversified business profile

SL benefits from an experienced promoter group and over four decades in transmission and distribution structures, supporting its position as one of India's largest integrated T&D manufacturers and a leading global player by capacity. The company's revenue mix is ~76% engineering, 15% infrastructure/EPC and 9% polymer in FY25, with overall export of ~16% in FY25 and a confirmed order book of ₹8,820 crore as of H1FY26, which provide medium-term revenue visibility and partially mitigate domestic cyclicity. Key customers include Power Grid Corporation of India and BSNL, which contributed ~39% and 9% of revenue respectively in FY25, supporting revenue stability. Vertical integration across design, rolling, fabrication, galvanizing and in-house testing, together with an extensive polymer distribution network of ~36,900 retail touchpoints, underpins cost competitiveness and scalability. Ongoing capex to raise engineering capacity to 600,000 MTPA is expected to strengthen the operating profile. Timely execution and disciplined working-capital management remain key monitorable.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

## Healthy operating scale and stable profitability

SL has shown sustained improvement in scale and profitability, driven by volume-led growth and calibrated capacity additions. Revenue rose to ₹4,624 crore in FY25 from ₹3,282 crore in FY24; Q1FY26 and H1FY26 revenues were ₹1,253.9 crore and ₹2,515.6 crore respectively, reflecting higher capacity utilisation and improved realisations. Backward integration, recent capacity commissioning and a rising share of exports have supported operating efficiency. Earnings before interest, taxation, depreciation, and amortisation (EBITDA) margin improved to 9.8% in FY25 from 9.7% in FY24 and to 10.25% in H1FY26, indicating margin resilience. The company reported a confirmed order book of ₹8,820 crore as on September 30, 2025, providing medium-term revenue visibility, with demand supported by government-led T&D capex. Strong operating performance translated into return on capital employed (ROCE) of 23.20% in FY25. Key monitorable for sustaining profitability include timely commissioning of planned capacity, execution of the order book, contract pricing mix and continued working-capital improvement.

## Modest Financial risk profile

SL's financial risk profile has improved on the back of steady accretion to reserves and a rights issue of ~₹199 crore. Net worth increased to ₹1,192.01 crore as on March 31, 2025, and consolidated leverage including acceptances improved to 0.99x in FY25 from 1.43x in FY24. With sustained cash generation and a balanced funding mix, gearing is expected to remain below 1.0x in the medium term. TOL/TNW stood at 1.80x in FY25 and is projected to remain in the range of 1.5–1.9x, despite the higher levels of unbilled receivables and retention balances inherent in contract-based operations. Interest coverage has improved to 2.42x in H1FY26; further improvement is expected as operating margins and working-capital metrics strengthen.

## Good prospects for power transmission and distribution sector

The power transmission and distribution sector is expected to witness sustained capex-led growth, supported by rising electricity demand, increasing renewable-energy integration and grid-modernisation initiatives. Per the 20th Electric Power Survey of the Central Electricity Authority, peak power demand and energy requirement are projected at ~335 GW and 2,280 BU respectively by 2029–30, with the required installed generation capacity estimated at ~777.14 GW under the base case. These demand projections necessitate significant additions to transmission lines, substations and evacuation infrastructure.

Government programmes and utility investment plans are expanding the project pipeline and driving steady demand for transmission towers, structures and turnkey T&D solutions, benefiting large and technically capable manufacturers and EPC players. In this context, SL's healthy order book of ₹8,820 crore as on H1FY26 and its planned expansion of engineering capacity to 600,000 MTPA position it well to capitalise on the sectoral upcycle. Continued policy support, multilateral funding and growing inter-regional and renewable evacuation requirements are expected to sustain demand visibility in the medium term.

## Key weaknesses

### Working capital intensive operations

SL's operations remain inherently working-capital intensive owing to tender-based contracts, long execution cycles of ~1-2 years and backward-integrated manufacturing. Although operating cycle improved to ~60 days in FY25 from 87 days in FY24 and average collection period reduced to 57 days, inventory levels remained elevated at ~108 days due to work-in-progress and multi-stage inspections. On a medium-term basis, operating cycle is expected to remain in the range of 55–75 days.

The company continues to exhibit high dependence on external debt, including working capital bank loans and LC, driven by LC acceptance for creditors. This dependence is primarily due to nature of contracts, where payments are released proportionately on milestone completion, with a portion retained as retention money. While receivable risk is partly mitigated by a high share of funded projects and reputed customers such as Power Grid Corporation of India, reliance on external funding (creditors, LC acceptances and bank borrowings) for working capital has risen sharply—accounting for ~85% of working-capital requirements (inventory and debtors) in FY25 compared to ~65% in FY23, which remains a key rating monitorable.

### Exposure to competitive, cyclical and tender-driven demand

SL's operating profile is exposed to intense competition and the cyclical nature of end-user capex. Demand for transmission towers, polymer pipes and EPC services is driven by utilities, government bodies and infrastructure developers, and slowdown or deferment in these programmes can materially affect order inflows and execution timelines. A large share of revenue is from tender-based contracts with tenures of one to two years, making near-term revenue visibility dependent on bid success and timely contract awards. Profitability is susceptible to raw-material price volatility and execution risks on large projects, however, backward integration, hedging mechanism and price-escalation clauses provide mitigation, which reflects from operating margins, which has been consistent in the range of 9–10%. Growing international exposure enhances diversification but adds execution, regulatory and receivable risks in newer geographies.

### **Large size capex plans considering sizeable capex done in the recent past**

SL incurred aggregate capital expenditure of ~₹500 crore over FY24–FY25 and is undertaking further capex of ~₹325 crore in FY26, funded through a term loan of ~₹200 crore and internal accruals. The company plans to scale engineering capacity to 600,000 MTPA by FY29, with incremental capex for the remaining phase estimated at ~₹300 crore. Consolidated total debt stood at ₹1,175 crore and net worth at ₹1,192 crore in FY25, with overall gearing including acceptances at 0.99x. Shortfall in projected cash generation, execution delays or cost overruns on planned capex could raise leverage and compress interest coverage, which was 2.12x in FY25. Timely commissioning of projects, disciplined capex phasing and continued working-capital improvement will therefore be critical to contain liquidity and credit risks in the expansion phase.

### **Liquidity: Adequate**

Bank-limit utilisation for 12 months ending October 2025, remained at moderate levels, at ~67% for fund-based limits and ~79% for non-fund-based limits, indicating adequate headroom under existing sanctioned facilities. The company's projected annual cash accruals of ₹250–300 crore are sufficient to meet scheduled term-debt repayment obligations of ₹75–115 crore per annum in the medium term, with balance accruals providing liquidity cushion for working-capital requirements and contingencies.

SL is undertaking total capital expenditure of ~₹325 crore in FY26, largely towards capacity enhancement, which is being funded through a term loan of ~₹200 crore and the balance through internal accruals. Capacity expansion to 600,000 MTPA by FY29 is planned to be financed through a mix of term debt and internal cash generation. Liquidity is further supported by unsecured promoter loans of ₹88 crore outstanding as on September 30, 2025, and a strengthened net worth and comfortable gearing position. Overall, these factors support the company's ability to meet near-term obligations and incremental funding requirements comfortably.

### **Assumptions/Covenants:** Not applicable

### **Environment, social, and governance (ESG) risks:**

#### **Environmental:**

- SL actively minimises its carbon footprint through efficient energy use, water conservation, emissions control and waste management, contributing to sustainable urban development.
- SL has embedded sustainability into its core strategy, aligning with UN SDGs and the UN Global Compact.
- SL is pursuing GreenCo Certification to enhance environmental performance.
- Around 91% of inputs are sourced within India, with 75% locally procured from operating states—boosting local economies and cutting transport emissions.
- SL generated 2,539 MWh of solar energy in 2024–25, with 2.59 MW installed capacity. Energy-saving measures cut annual consumption by 12.7 million kWh, reducing energy intensity by 12%. These efforts earned the 2023 Encon Award.
- SL's waste management follows reduce, reuse, and recycle principles. In polymers, 99% of waste is recycled in-house, and plastic waste was cut from 9% to 4% via automation and closed-loop systems. Hazardous waste is safely disposed of by certified vendors, and all metallic waste is recycled. ERP systems automate waste tracking for full traceability and compliance.
- SL ensures 100% effluent treatment and reuse using advanced technologies, reducing freshwater use. Treated water is reused in multiple processes following a Reduce, Reuse, Recycle approach. Continuous monitoring and risk assessments support compliance and conservation.
- The company implemented an encapsulated galvanising (GI) process integrated with an air pollution control device (APCD) to minimise emissions. The company transitioned to a cleaner fuel by replacing furnace oil (FO) with liquefied petroleum gas (LPG) for furnace operations at the Jangalpur facility.

#### **Social:**

- SL enhances its societal well-being by generating employment opportunities, ensuring workplace safety, and engaging in community development initiatives.
- Health and safety training are mandatory for all workers' and feedback is assessed for training effectiveness.
- In the reporting period, the company conducted 165 EHS walkthroughs, organised 703 EHS training programmes covering 67,616 hours of safety training, carried out four evacuation drills and 48 mock fire drills, and held 54 safety committee meetings, reflecting continued focus on workplace safety and EHS compliance.
- With a vision of zero harm, all SL units are ISO 45001:2018 certified.
- SL's workplace is anchored in inclusivity, development, and safety. It is certified as a Great Place to Work for the third consecutive year.

#### **Governance:**

- SL upholds high ethical standards, fostering transparency and accountability in all its operations.
- The company is governed by a ten-member Board of Directors, 50% of whom are independent, including one woman director. The roles of Chairperson and Managing Director are separated, ensuring robust checks and balances.

- The company operates through nine board-level committees, including the Audit Committee, Nomination & Remuneration Committee, CSR Committee, Risk Management Committee, and ESG Committee, among others.
- Policies aligned with NGRBC, UNGPs, and SDGs across ethics, whistle blowing, anti-bribery, and human rights.

## Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Consolidation & Combined approach](#)

[Short Term Instruments](#)

## About the company and industry

### Industry classification

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

Established in 1981, SL is an engineering and infrastructure company that manufactures T&D structures, including towers and poles and has diversified into related sectors such as polymer pipes and fittings, railway electrification structures, telecom towers and poles, and EPC projects. The company operates four manufacturing units (PGCIL-approved) with facilities in Uluberia and Jangalpur (Howrah) in West Bengal and in Guwahati. These facilities hold ISO 9001, ISO 18001 and ISO 14001 certifications. Reported aggregate installed capacity is ~375,000 metric tonnes per annum for engineering products and ~62,000 metric tonnes per annum for polymer pipes and fittings.

Consolidated Financials (₹ crore) \$	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	3289.97	4628.36	2515.65
PBILDT*	320.71	454.58	257.85
Profit after tax (PAT)	81.67	149.35	81.55
Overall gearing (x)	1.43	0.99	NA
Interest coverage (x)	2.07	2.12	2.42

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

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

\$ Financials are reclassified per CareEdge Ratings' standards.

**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 - ST- Working Capital Limits		-	-	-	150.00	CARE A1

#### 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 - ST- Working Capital Limits	ST	150.00	CARE A1	-	-	-	-

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 - ST-Working Capital Limits	Simple

#### Annexure-5: Lender details

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

#### Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Skipper-Metzer India LLP	Moderate	Joint Venture

**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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