

Paramount Cosmetics (India) Limited

February 24, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	7.53 (Reduced from 8.23)	CARE B; Stable	Reaffirmed
Short Term Bank Facilities	1.00	CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Paramount Cosmetics (India) Limited (PCIL) continues to be tempered by its modest scale of operations, low cash accruals against debt servicing obligations resulting in thin DSCR levels, weak debt coverage metrics, elongated working capital cycle and intense competition from large number of unorganised players. However, the ratings derive strength from the long vintage of over three decades of the company and established brand presence under the brand name 'Shilpa' in the cosmetics industry.

CARE Ratings Limited (CareEdge Ratings) takes note of the shareholders' approval accorded to PCIL at its EGM held on February 13, 2025, for the sale of its manufacturing unit to Paramount Kumkum Private Limited (PKPL) and the sale of an additional land parcel to a prospective buyer. Timely monetization of these assets is expected to aid the company in reducing its debt and improving its liquidity position. It will further help the company into diversification of other products and would be able to leverage upon its existing distribution network.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total debt to gross cash accruals (TDGCA) <4x and interest coverage ratio (ICR) > 2x.

Negative factors

- Deterioration in liquidity profile of the company.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects that the company's business profile remains intact backed by its long track record of operations.

Detailed description of key rating drivers:

Key weaknesses

Small scale of operations and thin profitability

The total operating income (TOI) deteriorated by 7% to Rs. 20.39 Cr in FY25, amid internal operational restructuring. The company has recorded sales of Rs. 19.42 crores in 9MFY26 (UA) and expects to achieve 15% growth in sales in FY26. PCIL's PBIDT margin improved to 4.91% in FY25 from 1.94% in FY24, due to decrease in the raw material prices thereby overall reduction in cost of sales. PAT margins continue to remain low due to high finance and depreciation costs. Given that the company is in same business for more than 3 decades, scale of operations continues to be small.

Weak debt coverage metrics

FY25 saw the company's capital structure stood moderate marginally, yet it stands leveraged. Marked by overall gearing and TOL/TNW of 1.10x and 1.94x as of Mar 31, 2025, respectively (PYE: 1.18x and 2.00x respectively). ICR (PBIDT /Interest) stands at 0.65x in FY25 (PY: 0.24x). DSCR likely to remain thin on account of low profitability with high material costs. However, with improved operational performance from FY26 onwards, the management expects the cash flow from operations along with proceeds from sale of a fixed asset to be sufficient for meet the debt repayment obligations. Also, in case of further requirement of liquidity, unsecured loans shall be brought in by the promoters.

Stretched operating cycle

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

The operating cycle elongated to 427 days attributed to high finished goods inventory holding of 410 days as of March 31, 2025. The company has a practice of holding the finished goods at higher levels because of the nature of business. Bindis, of various colours and sizes, must be made available to end users at the stores at all points of time. Inadequate stock will lead to immediate switch over to available brands by the end user segment.

Highly fragmented industry with intense competition from large number of players

PCIL faces stiff competition from large number of unorganised players in the market with duplicity of products. High level of competition calls for higher sales promotion expenditure. Further, traditional cosmetics market remains highly fragmented with widespread use of unbranded and homemade products in rural market, wherein small and medium manufacturers are also a competition to an established player.

Key strengths

Experienced management and long track record of operations

PCIL has a long track record of more than three decades in the beauty and personal care industry which has helped in establishing a strong marketing network with a proven track record and an established brand name. The promoters are in the same line of business for over 3 decades. The company claims to be the market leader and the only organised player in Bindi segment which is largely dominated by unorganised players.

Established brand presence

The flagship bindi brand 'Shilpa' is a household name in bindi segment and has been in the market for over 2 decades. The products of the company under the Brand name "Shilpa" are enjoying good brand equity and market repute in the Indian traditional cosmetic range of products and are well accepted by the market and customers. The company is also dealing in other brands namely Instinct, Kromme, Sunspot.

Liquidity: Stretched

Company's liquidity is constrained by tightly matched accruals to repayment obligations. It utilised an average of 97.63% bank limits during last 12 months and had a modest cash balance of ₹0.09 crore as on March 31, 2025 apart from lien marked FD of Rs. 1.3 crore.

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
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Personal Products	Personal Care

PCIL, the flagship company of the Paramount group, was incorporated in 1985 by B D Topiwala. The company is engaged in the manufacturing of beauty and personal care products like bindi, kumkum, kajal, deodrants, etc. The company is known for its flagship brand, Shilpa bindis, along with various other brands, including Sunspot (sticker bindis and liquid kumkum), Kromme (instant eye shadow applicator) and Instinct (men's deodorants) among others.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	December 31, 2025 (UA)
Total operating income	21.81	20.39	19.42
PBILDT*	0.42	1.00	1.89
Profit after tax (PAT)	0.02	0.03	0.10
Overall gearing (x)	1.18	1.10	NA
Interest coverage (x)	0.24	0.65	1.51

A: Audited UA: Unaudited NA: Not Available; 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	-	-	-	-	5.00	CARE B; Stable
Fund-based - LT-Term Loan	-	-	-	February 2031	0.27	CARE B; Stable
Fund-based - LT-Term Loan	-	-	-	February 2028	1.32	CARE B; Stable
Fund-based - LT-Working capital Term Loan	-	-	-	May 2024	0.94	CARE B; Stable
Non-fund-based - ST-ILC/FLC	-	-	-	-	1.00	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	0.27	CARE B; Stable	-	1)CARE B; Stable (05-Mar-25)	1)CARE B; Stable (02-Feb-24)	1)CARE B; Stable (28-Mar-23)
2	Fund-based - LT-Working capital Term Loan	LT	0.94	CARE B; Stable	-	1)CARE B; Stable (05-Mar-25)	1)CARE B; Stable (02-Feb-24)	1)CARE B; Stable (28-Mar-23)
3	Fund-based - LT-Cash Credit	LT	5.00	CARE B; Stable	-	1)CARE B; Stable (05-Mar-25)	1)CARE B; Stable (02-Feb-24)	1)CARE B; Stable (28-Mar-23)
4	Non-fund-based - ST-ILC/FLC	ST	1.00	CARE A4	-	1)CARE A4 (05-Mar-25)	1)CARE A4 (02-Feb-24)	1)CARE A4 (28-Mar-23)
5	Fund-based - LT-Term Loan	LT	1.32	CARE B; Stable	-	1)CARE B; Stable (05-Mar-25)	1)CARE B; Stable (02-Feb-24)	1)CARE B; Stable (28-Mar-23)

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	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working capital Term Loan	Simple
4	Non-fund-based - ST-ILC/FLC	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.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Karthik Raj K Director CARE Ratings Limited Phone: +91-80-4662 5555 E-mail: karthik.raj@careedge.in</p> <p>Himanshu Jain Associate Director CARE Ratings Limited Phone: +91-80-46625528 E-mail: himanshu.jain@careedge.in</p> <p>Manvi Jain Rating Analyst CARE Ratings Limited E-mail: Manvi.jain@careedge.in</p>
--	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**