

Sheeltron Digital Systems Private Limited

March 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	16.00	CARE BBB; Stable	Assigned
Short-term bank facilities	9.00	CARE A3+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Sheeltron Digital Systems Private Limited (Sheeltron) derives strength from promoters having experience of over two decades with established track record of operations and long-term association with reputed clients and original equipment manufacturers (OEMs), having a diversified service profile. Ratings also take comfort from comfortable capital structure of Sheeltron, continuous improvement in scale of operations while sustaining operating profitability margins.

These rating strengths are partially offset by exposure of Sheeltron towards risk associated with rapid technology advancement, fragmented and competitive nature of IT infrastructure solutions industry and working capital intensive operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in scale of operations as marked by operating income above ₹800 crore on a sustained basis while sustaining profit before depreciation, interest and taxes (PBDIT) margins above 10% and improving total outside liabilities to total net worth (TOL/TNW) to less than 1x.

Negative factors

- PBDIT margins declining below 9% on a sustained basis.
- Significant increase in receivables impacting the company's liquidity position.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that Sheeltron's credit risk profile will continue to remain stable marked by its established track record of operations which would help receiving regular orders.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with established track record of operations

Established in 1990 as a proprietorship firm by Sanjay Singhania, the company initially operated as a personal computer trading business. In 2010, it transitioned into a private limited entity, marking a significant milestone in its growth journey. With over two decades of presence in the market, Sheeltron has built strong, long-standing relationships with its customers, suppliers, and stakeholders. Promoters bring over 25 years of industry experience, supported by a solid track record in process excellence and extensive marketing networks.

Diversified service profile

Sheeltron's core business activity comprises diverse portfolio of IT products, enterprise solutions, and tailored services. Its offers servers & storage, networking, cybersecurity, cloud technologies, and AI-driven solutions having partnerships with major OEMs. Sheeltron also provides IT rentals and leasing, annual maintenance contract/comprehensive maintenance contract (AMC/CMC) services, and integration of client hardware such as PCs, workstations, printers with partnerships with top IT hardware and software manufacturers including HPE, Dell, Lenovo, Intel, AMD, Microsoft, Redhat, Cisco and NETRACK. The company also provides asset recovery programme designed to optimise value from end-of-life IT equipment. The programme covers idle asset identification, surplus asset disposition, internal redeployment, and investment recovery, enabling organisations to maximise returns on redundant technology assets.

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

Comfortable capital structure

The entity's capital structure stood comfortable, as marked by an overall gearing of 0.1x as on March 31, 2025 (0.19x as on March 31, 2024) with limited reliance on external debt. Its debt profile largely comprises external debt in the form of working capital and term debt. TOL/TNW stood moderate at 1.41x as on March 31, 2025 (improved from 1.73x as on March 31, 2024). Improvement in capital structure was considering profit accretion to reserves and repayment of term debt. Going forward, CareEdge Ratings believes that capital structure is expected to further improve in the absence of debt funded capex and generation of adequate accruals to fund incremental working capital requirements.

Stable scale of operations

Total operating income (TOI) grew at a compounded annual growth rate (CAGR) of 41.19% five years ended FY25. TOI grew by 84% to ₹589.75 crore in FY25 over FY24. It has also reported TOI of ₹375.69 crore in 8MFY26. It has sizable network base, which stood at ₹102.76 crore as on March 31, 2025. Scale of operations showed significant improvement with healthy PBILDT margins of 11.09% in FY25. Going forward, scale of operations is expected to grow considering expected improvement in demand.

Key weaknesses

Exposure towards rapid technology advancement in IT industry

Being a part of the IT industry, Sheeltron faces frequent changes and updates in systems and software due to rapid technology launches. To cope with these changes, Sheeltron must continuously train employees to upgrade skills and develop updated systems to sustain intense competition from peers. Prolonged gap in upgradation may adversely impact business prospects and profitability margins.

Fragmented and competitive nature of IT industry

The company is engaged in installation of IT solutions including hardware and software for uses such as data centres, companies, and security system among others. The company faces direct competition from other players in the industry and their dealers, who also provide similar services. Given the fact that entry barriers to the industry are low, players in the industry are exposed to competition-induced pressures on pricing and profitability.

Liquidity: Adequate

The company's liquidity profile remains adequate, supported by the absence of major repayment obligations and healthy cash accruals. The company maintained a comfortable cash and cash equivalents ₹33.78 crore as on November 30, 2025. Average working capital utilisation remained moderate at 50.96% for 12 months ended October 2025, indicating adequate buffer within sanctioned limits.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Services Sector](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information technology	Information technology	IT - hardware	Computers hardware and equipments

Sheeltron was incorporated in 1990 and primarily offers system integration services to corporate. Sheeltron's portfolio includes end-to-end solutions to corporates' IT needs addressing from passive networking to testing and factory acceptance test (FAT) and till business as usual (BAU). The enterprise portfolio offers Server and storage, networking, cyber security, cloud and AI-driven technology, equipment on rent and lease.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	November 30, 2025 (UA)
Total operating income	320.73	589.75	375.69
PBILDT*	31.03	65.39	34.56

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	November 30, 2025 (UA)
Profit after tax (PAT)	14.91	40.72	16.74
Overall gearing (x)	0.19	0.10	NA
Interest coverage (x)	18.47	51.05	NA

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	-	-	-	-	10.00	CARE BBB; Stable
Fund-based - ST-Purchase Invoice Financing	-	-	-	-	3.00	CARE A3+
Non-fund-based - LT-Bank Guarantee	-	-	-	-	6.00	CARE BBB; Stable
Non-fund-based - ST-ILC/FLC	-	-	-	-	1.00	CARE A3+
Non-fund-based - ST-Loan Equivalent Risk	-	-	-	-	5.00	CARE A3+

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	10.00	CARE BBB; Stable	-	-	-	-
2	Non-fund-based - LT-Bank Guarantee	LT	6.00	CARE BBB; Stable	-	-	-	-
3	Non-fund-based - ST-Loan Equivalent Risk	ST	5.00	CARE A3+	-	-	-	-
4	Fund-based - ST-Purchase Invoice Financing	ST	3.00	CARE A3+	-	-	-	-
5	Non-fund-based - ST-ILC/FLC	ST	1.00	CARE A3+	-	-	-	-

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 - ST-Purchase Invoice Financing	Simple
3	Non-fund-based - LT-Bank Guarantee	Simple
4	Non-fund-based - ST-ILC/FLC	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.

Contact us

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