

Skipper Limited

June 22, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Short-term bank facilities	150.00	CARE A1	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

The rating reaffirmed for bank facilities of Skipper Limited (Skipper) continues to 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, galvanising 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. The rating also considers the recently announced ₹433.50 crore private placement issue with an objective of repayment of part of short-term borrowings to the tune of ₹327.50 crore. Additionally, healthy order-book in the engineering and infra verticals provide medium-term revenue visibility and supports the current scale of operations. The rating also draws comfort from sustained growth in its scale of operations, stable operating profitability, and moderate capital structure.

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

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Reduction in reliance on Creditors & Bank borrowings (including letters 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 12% on a sustained basis.

Negative factors

- Substantial decline in TOI and operating margins below 9% on a sustained basis.
- Increase in total outside liabilities to total net worth (TOL/TNW) above 2x and interest coverage going below 1.5x.

Analytical approach: Consolidated. CareEdge Ratings adopts a consolidated view, incorporating the business and financial profiles of Skipper and its joint venture, Skipper Metzger India LLP. Debt of the joint venture (JV) has been included in the parent's financials because the obligations are secured by a corporate guarantee from Skipper. Consolidated entities are mentioned as Annexure-6.

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Experienced promoter group, established market position, and diversified business profile

Skipper benefits from an experienced promoter group with 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 ~79% engineering, 12% infrastructure/EPC and 9% polymer in FY26 along with a confirmed order book of ₹8,502 crore as of March 2026 and an export share of ~13% provides medium-term revenue visibility and partially mitigates domestic cyclicality. Key customers include Power Grid Corporation of India and BSNL, which contributed ~57% and 2% of revenue, respectively, in FY26, 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

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

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.

Healthy operating performance in FY26

Skipper has demonstrated sustained improvement in scale and profitability, driven by healthy execution across its engineering, infrastructure, and polymer segments. TOI increased to ₹5,552.82 crore in FY26 from ₹4,628.36 crore in FY25, reflecting growth of ~20% y-o-y. Operating profitability also improved, with PBILDT increasing to ₹572.67 crore in FY26 from ₹454.58 crore in FY25, while PBILDT margin improved to 10.31% from 9.82%, supported by better operating leverage and improved execution quality. Profit after tax (PAT) increased to ₹213.13 crore from ₹149.35 crore, while GCA improved to ₹315.50 crore from ₹211.09 crore, indicating stronger internal accrual generation. The company continues to benefit from a healthy order book and favourable demand environment supported by government-led T&D capex, renewable-energy evacuation, and grid-strengthening investments. Timely execution of the order book, commissioning of planned capacity and improvement in contract mix will remain key monitorable.

Improved financial risk profile

Skipper's financial risk profile continued to improve in FY26, supported by sustained profitability, stronger internal accruals, and moderation in leverage. PBILDT increased to ₹572.67 crore in FY26 from ₹454.58 crore in FY25, while GCA also improved, supporting debt-servicing ability. Interest coverage remained moderate but improved to ~2.64x in FY26 from 2.12x in FY25, supported by higher operating profits. The company's leverage profile also remained comfortable, with debt to equity ratio at 0.34x and total debt/PBILDT at 2.76x as on March 31, 2026, despite ongoing capex and working-capital requirements. The Board has approved fund raising of up to ₹433.50 crore through preferential allotment/private placement of up to 92.23 lakh equity shares at ₹470 per share to non-promoter investors, subject to shareholder approval; the funds are proposed to be used mainly for repayment of working-capital demand loan/cash-credit facilities of ~₹327.50 crore and general corporate purposes of ~₹106 crore. The proposed equity infusion, if completed, is expected to further strengthen liquidity, reduce reliance on working-capital borrowings and support the company's medium-term financial flexibility.

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, Skipper's healthy order book of ₹8,502 crore as of March 2026 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 over the medium term.

Key weaknesses

Working capital intensive operations

Skipper's operations remain inherently working-capital intensive owing to tender-based contracts, long execution cycles of about one to two years and backward-integrated manufacturing. Although the operating cycle improved to ~46 days in FY26 from 60 days in FY25 and average collection period increased to 71 days, inventory levels improved at ~82 days due to work-in-progress and multi-stage inspections. On a medium-term basis, the operating cycle is expected to remain in the range of 50 to 64 days.

Despite raising ₹199 crore through a rights issue in FY25 and H1FY26 to support working capital requirements, the company's reliance on external funding has increased significantly with the scale of operations. It continues to exhibit high dependence on external debt, including working capital bank loans and letters of credit (LC), driven by LC acceptance for creditors and LC discounting for debtors. However, with preferential allotment, this dependence is expected to substantially reduce improving liquidity and reducing finance costs.

Exposure to competitive, cyclical, and tender-driven demand

Skipper'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 any 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 depend on bid success and timely contract awards. Profitability is susceptible to volatility in raw material prices and execution risks on large projects; backward integration and price-escalation clauses provide partial mitigation, but disciplined bidding and a favourable contract mix are critical

to sustain margins. Growing international exposure enhances diversification but adds execution, regulatory, and receivable risks in newer geographies.

Large size capex plans considering sizeable capex done in recent past

Skipper incurred aggregate capital expenditure of ~₹867 crore over FY24-FY26 and is undertaking further capex of ~₹500 crore in FY27-FY28, funded partly through term loan and internal accruals. The company plans to scale engineering capacity to 600,000 MTPA by FY28-FY29, with incremental capex for the remaining phase estimated at ~₹500 crore. Consolidated total debt stood at ₹1,498 crore and net worth at ₹1,486 crore in FY26, with overall gearing including acceptances at 1.01x. Any shortfall in projected cash generation, execution delays or cost overruns on the planned capex could raise leverage and compress interest coverage, which was 2.64x in FY26. 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 remained comfortable over the 12 months ended April 2026, with average utilisation of ~57% for fund-based limits and 82% for non-fund-based limits, indicating adequate headroom under the sanctioned facilities. The company's projected annual cash accruals of ₹350–500 crore are expected to comfortably cover scheduled term-debt repayments of ₹98–₹125 crore per annum over the medium term, while also supporting working-capital requirements and contingencies. The proposed equity infusion through preferential allotment/private placement is expected to strengthen liquidity further, reduce reliance on working-capital borrowings and provide additional financial flexibility for growth-related funding requirements.

Environment, social, and governance (ESG) risks

Environmental:

- Skipper actively minimises its carbon footprint through efficient energy use, water conservation, emissions control and waste management, contributing to sustainable urban development.
- Skipper has embedded sustainability into its core strategy, aligning with UN SDGs and the UN Global Compact.
- Skipper 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.
- Skipper 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.
- Skipper'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.
- Skipper 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 galvanizing (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:

- Skipper 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 the 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 Skipper units are ISO 45001:2018 certified.
- Skipper's workplace is anchored in inclusivity, development, and safety. It is certified as a Great Place to Work for the third consecutive year.

Governance:

- Skipper upholds high ethical standards, fostering transparency and accountability in all its operations.
- The company is governed by a 10-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 are aligned with NGRBC, UNGPs, and SDGs across ethics, whistle blowing, anti-bribery, and human rights.

Applicable criteria

- [Consolidation](#)
- [Definition of Default](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [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	Electrical equipment	Heavy electrical equipment

Established in 1981, Skipper is an engineering and infrastructure company that manufactures transmission and distribution (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 Junglepore (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.

Brief Consolidated Financials (₹ crore)	FY24 (A)	FY25 (A)	FY26 (A)
Total operating income	3,289.97	4,628.36	5,552.82
PBILDT*	320.71	454.58	572.66
Profit after tax (PAT)	81.67	149.35	213.13
Overall gearing (x)	1.43	0.99	1.01
Interest coverage (x)	2.07	2.12	2.64

A: Audited; 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: NIL

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 2026-2027	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
1	Fund-based - ST-Working Capital Limits	ST	150.00	CARE A1	-	1)CARE A1 (13-Jan-26)	-	-

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 - 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 LLP	Moderate	Joint Venture- Equity Method

Annexure-7: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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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