



Press Release

Sharika Enterprises Limited

February 23, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	8.63	IVR BB-/Stable (IVR Double B minus with stable outlook)	IVR BB/Stable (IVR Double B with stable outlook)	Rating Downgraded	Simple
Short Term Bank Facilities	20.00	IVR A4 (IVR A Four)	IVR A4 (IVR A Four)	Rating Reaffirmed	Simple
Long Term/Short Term Bank Facilities - Proposed	8.37	IVR BB-/Stable; IVR A4 (IVR Double B minus with stable outlook; IVR A Four)	IVR BB/Stable; IVR A4 (IVR Double B with stable outlook; IVR A Four)	Rating Downgraded/ Reaffirmed	Simple
Total	37.00	Rupees Thirty-Seven Crore only			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded/reaffirmed the ratings assigned to the bank facilities of Sharika Enterprises Limited (SEL). The downgrade reflects sustained decline in revenue and EBITDA losses during 9MFY26, which indicates poor operating performance

The ratings continue to derive strength from SEL's moderate order book providing near-term revenue visibility, moderate capital structure and net worth, and growing scale of operations. However, these strengths are partially constrained by its intensive working capital cycle, susceptibility of profitability to volatile input prices, and its presence in a highly fragmented and competitive industry.

Infomerics has assigned a stable outlook that reflects continued support from experienced management.



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Key Rating Sensitivities:

Upward Factors

- Substantial improvement in the scale of operations along with profitability on sustained basis.
- Significant improvement in working capital cycle improving liquidity of the company.

Downward Factors

- Moderation in the scale of operations due to delays in project execution impacting profitability and liquidity of the company.
- Stretch in the working capital cycle impacting on the liquidity of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Moderate order book with near-term revenue visibility

As of 31st May 2025, the company has an unexecuted order book of Rs. 90.15 crore (1.13x of FY25 revenue), offering strong near-term revenue visibility. The order book is well diversified across both government and private entities, including Ali Mohammad Baba & Sons, Himachal Pradesh State Electricity Board, NTPC Limited, LS Cable India Pvt. Ltd., JSW Renew Energy Three Limited, and Punjab Energy Development Agency. Also, SEL has bid for the projects of Rs. 5.50 crore as on May 2025. Timely execution of these orders will remain a key monitorable going forward.

Moderate capital structure and net worth

The capital structure of SEL, marked by overall gearing and TOL/ATNW, marginally declined yet remained moderate at 0.72x and 2.22x, respectively, as on March 31, 2025, compared to 0.34x and 1.18x as on March 31, 2024. This moderation was primarily on account of a decline in Adjusted Tangible Net Worth (ATNW) to Rs. 20.72 crore as on March 31, 2025 (March 31, 2024: Rs. 25.31 crore) driven by an increase in investments in subsidiary/group companies, which stood at Rs. 5.97 crore (up from Rs. 0.16 crore in FY24). Infomerics expects the capital



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structure will improve in the medium term due to the absence of any additional borrowings and gradual accretion of profits, which is likely to strengthen the net worth base going forward.

Experienced promoter with long operational track record

The promoters of Sharika Enterprises Limited Mr. Rajinder Kaul, Mr. Sanjay Verma, Mr. Arun Kaul, and Mr. Ravinder Bhan possess extensive experience in the power, telecom, and infrastructure sectors, with a combined industry experience of over seven decades. Their long-standing involvement and strategic guidance have been instrumental in driving the company's growth and diversification. The promoters' deep understanding of the industry dynamics, coupled with their operational expertise, provides stability to the company's management and supports its ongoing project execution capabilities across India.

Key Rating Weaknesses

Decline in operating performance:

SEL has weak operating performance reflected by EBITDA losses for last three quarters in FY26 coupled decline in revenue. SEL has reported revenue of 53.43 crore during 9MFY26 (9MFY25: Rs. 63.28 crore, FY25: Rs. 79.61 crore), with negative EBITDA Rs. 4.56 crore (9MFY25: Rs. 1.72 crore, FY25: Rs. 3.05 crore). Ability to improve operating performance would be a key monitorable.

Intensive Working capital cycle

The operations of the firm are working capital intensive, and the net working capital cycle improved though remain elongated and stood at 110 days in FY25 (FY24: 125 days) due to high collection days around 134 in FY25 (FY24: 114) this was due to year-end sales and higher credit period. The firm majorly deals with government-based entities wherein it receives the payment in 90-180 days after completion of work.

Susceptibility of its profitability to volatile input prices

Major raw materials used in power distribution and transmission activities are cables, wires and steel. Any significant increase in the materials prices will impact the profitability margins of the company.



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Presence in a highly fragmented and competitive sector

The domestic power and energy sector is highly crowded with presence of many players. Boom in the power and energy sector, resulted in increase in the number of players. While the competition is perceived to be healthy, significant price cut by few players during the bidding process may be a matter of concern as the same can dent the margins of the industry.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and Post default curing period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Rating Methodology For Service Sector](#)

Liquidity: Adequate

The liquidity of the company remains adequate with expected gross cash accruals remained at Rs. 3.12 crore, Rs. 4.43 crore and Rs. 5.76 crore as against minimal debt repayment of Rs. 1.57 crore and Rs. 1.06 crore. Further, the average working capital utilisation for last 12 months ended May 2025 and stood at 57.55%. The current ratio remained comfortable at 1.35x as on March 31, 2025.

About the Company

Incorporated in 1998, SEL began its journey as a consultancy service provider in the power and telecom sectors. Over the years, the company has significantly diversified its operations, evolving into a comprehensive technology, engineering, construction, manufacturing, and consultancy services provider with a pan-India presence. Sharika is recognized as a leading solutions provider offering specialized expertise in software development and SCADA systems for power transmission and distribution. SEL is listed on BSE.



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Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025	9MFY26
	Audited	Audited	Unaudited
Total Operating Income	78.60	79.61	53.43
EBITDA	1.86	3.05	-4.56
PAT	2.26	0.97	-5.18
Total Debt	8.55	14.94	--
Tangible Net Worth (Adjusted)	25.31	20.72	--
EBITDA Margin (%)	2.36	3.83	-8.54
PAT Margin (%)	2.81	1.22	-9.69
Overall Gearing Ratio (x)	0.34	0.72	--
Interest Coverage (x)	1.50	1.79	-2.14

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned (2025-26)	Date(s) & Rating(s) assigned	Date(s) & Rating(s) assigned
					Date: June 23, 2025	--	--
1.	Term Loan	Long Term	1.59	IVR BB-/Stable	IVR BB/Stable	--	--
2.	Cash Credit	Long Term	7.00	IVR BB-/Stable	IVR BB/Stable	--	--
3.	GECL	Long Term	0.04	IVR BB-/Stable	IVR BB/Stable	--	--
4.	Bank Guarantee	Short Term	20.00	IVR A4	IVR A4	--	--
5.	Proposed	Long Term/Short Term	8.37	IVR BB-/Stable; IVR A4	IVR BB/Stable; IVR A4	--	--



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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook
Term Loan	--	--	--	March 2028	1.59	IVR BB- /Stable
Cash Credit	--	--	--	Revolving	7.00	IVR BB- /Stable
GECL	--	--	--	March 2026	0.04	IVR BB- /Stable
Bank Guarantee	--	--	--	--	20.00	IVR A4
Proposed – Long term/short Term	--	--	--	--	8.37	IVR BB- /Stable; IVR A4

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/LEN_Sharika_Enterprises23_Feb26_6ebabb23fe.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.