

December 05, 2025

Goldmedal Electricals Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/ Short-term – fund-based facility	115.00	145.00	[ICRA]A+ (Stable)/ [ICRA]A1; Reaffirmed and Assigned for enhanced amount
Long-term – fund-based – channel financing	100.00	100.00	[ICRA]A+ (Stable); Reaffirmed
Total	215.00	245.00	

*Instrument details are provided in Annexure I

Rationale

The ratings reaffirmation on the bank lines of Goldmedal Electrical Pvt. Ltd. (GEPL) considers an expected improvement in operational and financial performances of the entity, supported by GEPL's strong operational track record in the domestic electrical industry, extensive experience of its promoters and a robust distribution network across India. The ratings also favourably factor in the diversified product portfolio, with strong presence in electrical switches and increasing sales in the lighting, wires and cables divisions. Further, the company has a strong financial profile, characterised by healthy cash accruals and comfortable coverage indicators. GEPL's operating income remained flat on a YoY basis at Rs. 2,629.0 crore in FY2025. A moderate rise in raw material costs and higher employee expenses led to a decrease in operating margins by 190 basis points, bringing them down to 10.5% for FY2025. As a result, moderation was observed in coverage indicators; however, the interest coverage ratio stayed healthy at 9.0 times and TD/OPBIDTA at 1.7 times in FY2025, due to limited debt levels primarily associated with working capital needs and lease liabilities.

The ratings, however, remain constrained by the vulnerability of GEPL's margins to raw material price fluctuations along with stiff competition from the established and branded players in India. ICRA also factors in the susceptibility of the company's revenues and earnings to economic downturns, as well as the demand scenario in its key end-consuming sectors. Additionally, the business remains working capital intensive because of its high inventory holding period and elongated receivable days. ICRA also notes that the company is in the midst of a large capex programme related to consolidating its manufacturing unit for switches and fans in Vasai, Mumbai, and for a new Polyvinyl chloride (PVC) pipes manufacturing unit in Hyderabad. The incremental total outlay towards these and maintenance capex is expected to be Rs. 250 crore. The capex is likely to be spread over the next two fiscals and the one related to PVC pipes is anticipated to be commercialised by the end of FY2026, and for fans and switches by FY2027.

This capex is expected to be largely financed through internal accruals; however, there may be addition of debt for around Rs. 100 crore to be availed in a phased manner, in case of cash flow mismatches. Though this capex provides synergy in terms of product diversification as well as movement to own manufacturing facilities, the same exposes the company to execution as well as market risks. GEPL's ability to successfully commercialise this capex in a timely manner, without any time and cost overrun, remains critical. ICRA notes the one-off transaction relating to subscribing to shares of an unlisted company resulting in a cash outflow of Rs.10 crore in FY2024 and higher dividend payout for Rs. 101 crore in FY2025. Any significant investments from operational cash flows that could affect the company's credit profile and large dividend payouts will remain a key monitorable.

The Stable outlook on the rating reflects ICRA's expectation that GEPL will sustain its operating metrics with steady growth in revenues. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, to further expand the capacity will be funded in a manner that it can durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Strong track record of operations in the consumer electrical parts industry – The Goldmedal Group has a robust operational track record of over four decades in the electrical industry. The promoter, with extensive industry experience, has fostered strong relationships with dealers, distributors, and vendors, which have enhanced the company's procurement and standing in the market.

Diversified product profile – The company's product portfolio is diversified, including electrical switches, wires and cables, miniature circuit breaker (MCB) and distribution boards (DBs), lights, and fans, etc. Among these, switches, wires and cables have been integral parts of GEPL's product profile since its inception and have consistently been major revenue contributors. The consumer durable segment has consistently accounted for around 58% of the company's total revenue, while wires and cables have generated 15% over the years. GEPL had launched a new range of switches under "90 degree" (switch division) in FY2025, targeted on the economical segment. However, its ability to ramp up in the market for these remain to be seen.

Pan-India presence with strong distributor network – The company has achieved consistent revenue generation across India, with the southern region being its primary driver, accounting for 45-50% of its total revenues. Moreover, the company has established a robust distribution network, encompassing over 5,000 active direct and indirect dealers nationwide. Over the years, GEPL has strategically focused on digital transformation. It has implemented Dealer Management System (DMS) to enhance inventory tracking and enable better demand analysis as well as replenishment planning. This digitisation initiative has supported a healthy revenue growth across years.

Strong financial profile – The company has a robust financial profile, characterised by steady revenue growth, healthy profit margins, strong cash accruals, and limited debt-funded capex. As on March 31, 2025, the company had a comfortable gearing ratio of 0.4 times. With some moderation in the profitability in FY2025 over FY2024, due to higher operating expenses and slightly elevated debt levels, the coverage indicators witnessed some moderation. However, the company's coverage indicators remained comfortable with an interest coverage ratio of 9.0 times, TD/OPBIDTA of 1.7 times and DSCR of 3.8 times in FY2025. GEPL's profitability over the medium term is expected to be supported by the benefits from various cost-cutting initiatives and a moderate increase in realisation.

Credit challenges

Profitability remains vulnerable to raw material prices and economic downturns – The company's primary raw materials, polycarbonate and copper, account for 50-60% of its total cost. Therefore, any volatility in the prices of these materials can have a considerable impact on the company's profitability. GEPL undertakes periodical pricing reviews for its cable and wires segment, as copper is the key raw material. Additionally, GEPL is exposed to economic cycles, as its main end-user industry is real estate, which is highly cyclical. Any downturn in the economic cycle could lead to a decline in demand for the company's products, affecting its overall performance.

Stiff competition from branded as well as unorganised players – The company faces competition from established branded players such as Anchor Electricals Pvt. Ltd., Legrand, Havells India Ltd. and Polycab India Ltd., as well as numerous unorganised players across its diverse product portfolio. The competitive landscape restricts GEPL's ability to expand its operating margin, especially during periods of inflationary pressure, which can significantly impact its operating profit margins and overall business performance. The same is also reflected in a slight decline in its operating margins in FY2025 over FY2024, due to a rise in input cost and employee costs, which were not fully passed on to end-customers.

Working capital-intensive nature of business – The company's operations remain working capital intensive, as evident from the net working capital to operating income (NWC/OI) ratio at 32.0% in FY2025. This is primarily attributable to high holding period for inventory and relatively elongated receivable days.

Exposed to project execution risk – The company is in the middle of a large capex programme related to consolidating its manufacturing units at Vasai for its switches and fans unit and for a new PVC pipe manufacturing unit at Hyderabad. The incremental total capex outlay towards these two projects is expected to be Rs. 250 crore, which is likely to be spread over the next two fiscals. The one related to PVC pipes is estimated to be commercialised by the end of FY2026, and the fans and switches by FY2027. This capex is likely to be largely financed through internal accruals; however, there may be addition of debt for Rs. 100 crore in a phased manner, in case of cash flow mismatches. The ability of GEPL to successfully commercialise this capex in a timely manner, without any time and cost overruns would remain critical.

Liquidity position: Adequate

The company's liquidity position is adequate, supported by healthy cash and liquid investment of Rs. 81.6 crore as on March 31, 2025. Further, the entity has a buffer of Rs.314.8 crore in working capital (against sanctioned limits of Rs. 350 crore) as on August 31, 2025, in addition to the buffer of 68% in its channel finance limit of Rs. 470 crore. GEPL had no term debt outstanding as of March 31, 2025. The company is also expected to incur capex of Rs. 250 crore over the next two years till FY2027, which is to be largely funded from internal accruals and term debt of around Rs. 100 crore.

Rating sensitivities

Positive factors – The ratings could be upgraded if there is a steady and sustained growth in revenue and profitability, leading to an improvement in overall liquidity profile and financial position.

Negative factors – Pressure on the ratings could emerge if there is any significant decline in GEPL's revenues or profitability, leading to a material decline in cash accruals. Additionally, a higher than anticipated capex in the near to medium term, large dividend payout or higher-than-expected borrowings, impacting the coverage indicators or weakening the liquidity profile, will also be a negative rating trigger. Specific credit metrics that could lead to a rating downgrade include Total Debt/OPBDITA greater than 1.8 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial statements, as enlisted in Annexure II.

About the company

In 1979, the first-generation promoter, Shri Otmalji Goraji, entered the electrical industries by establishing a trading venture of electrical products in Vijayawada, Andhra Pradesh. Subsequently, the firm ventured into manufacturing and marketing of wires and cables under the GOLDMEDAL brand. At present, the company manufactures a wide range of electrical products, including various types of switches, wires, MCBs and DBs, cables, LEDs, fans, and more, for residential buildings as well as commercial establishments. GEPL has a strong distribution network of more than 5,000 active direct and indirect dealers across India and operates through its 20-22 branch offices across the country.

Key financial indicators (audited)

GEPL Consolidated	FY2024	FY2025
Operating income	2,696.6	2,629.0
PAT	218.2	154.1
OPBDIT/OI	12.4%	10.5%
PAT/OI	8.1%	5.9%
Total outside liabilities/Tangible net worth (times)	0.8	1.0
Total debt/OPBDIT (times)	0.8	1.7
Interest coverage (times)	22.7	9.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current ratings (FY2026)				Chronology of rating history for the past 3 years					
				FY2026	FY2025	FY2024	FY2023		
Instrument	Type	Amount rated (Rs. crore)	Dec 05, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based- Others	Long Tem/ Short Term	145.00	[ICRA]A+ (Stable)/ [ICRA]A1	Nov 25, 2024	[ICRA]A+ (Stable)/ [ICRA]A1	Jun 21, 2023	[ICRA]A+ (Stable)/ [ICRA]A1	-	-
				-	-	Mar 28, 2024	[ICRA]A+ (Stable)/ [ICRA]A1	-	-
Fund-based-Bill discounting (channel financing)	Long- Term	100.00	[ICRA]A+ (Stable)	Nov 25, 2024	[ICRA]A+ (Stable)	Jun 21, 2023	[ICRA]A+ (Stable)	-	-
				-	-	Mar 28, 2024	[ICRA]A+ (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term/Short Term: Fund Based Facility	Simple
Long Term: Fund Based: Channel Financing	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based	NA	NA	NA	145.00	[ICRA]A+ (Stable)/ [ICRA] A1
NA	Channel Financing	NA	NA	NA	100.00	[ICRA]A+ (Stable)

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Company Name	GEPL Ownership	Consolidation Approach
Goldmedal Electro Private Limited^	Subsidiary	100.00%

Source: ICRA has taken a consolidated profile of the parent (GEPL), along with its subsidiary while assigning the ratings; ^ Goldmedal Electro Private Limited vide NCLT order dated June 25, 2025, had been merged with GEPL w.e.f. April 1, 2025.

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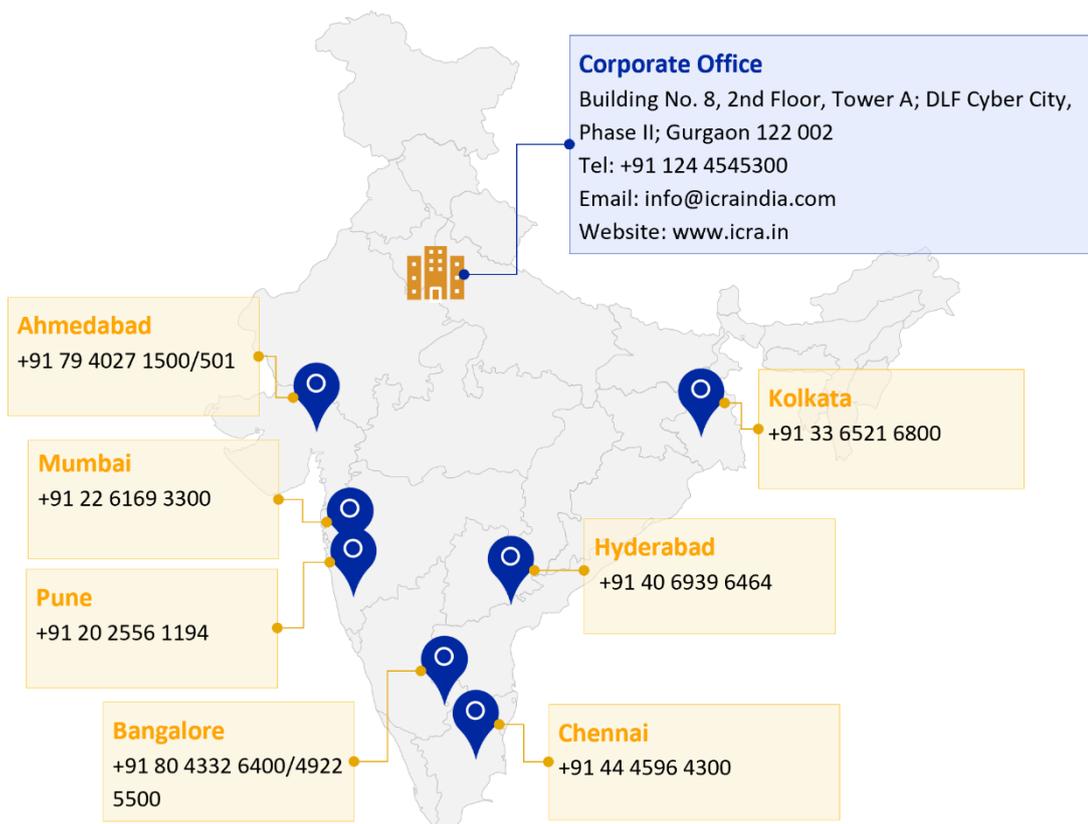
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