

March 27, 2026

Gopaldas Visram And Company Limited: Ratings upgraded to [ICRA]A-(Stable)/[ICRA]A2+

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	32.27	26.37	[ICRA]A-(Stable); upgraded from [ICRA]BBB+(Stable)
Long-term – Fund-based – Cash credit	28.50	28.50	[ICRA]A-(Stable); upgraded from [ICRA]BBB+(Stable)
Short-term – Non-fund based limits – Others	16.00	0.00	-
Short-term – Non-fund based limits – Letter of Credit	0.00	16.00	[ICRA]A2+; upgraded from [ICRA]A2
Long-term/short-term-Unallocated	0.5	6.40	[ICRA]A-(Stable)/[ICRA]A2+; upgraded from [ICRA]BBB+(Stable)/[ICRA]A2
Total	77.27	77.27	

*Instrument details are provided in Annexure I

Rationale

The ratings upgrade of Gopaldas Visram and Company Limited (GVCL) factors in the company's healthy increase in revenues and earnings over the last 3-4 years while maintaining strong credit metrics and liquidity position. The company is expected to maintain its operational and financial profile over the near to medium term on account of steady growth in revenue and profitability, along with the absence of any major debt-raising plans. The company reported revenue growth of around 18% and 14% YoY in FY2024 and FY2025, respectively, supported by the increasing contribution from the export business to around 33% in FY2025 from 26% in FY2024. There has been healthy demand for pharmaceutical products in overseas markets, supported by expanded geographical presence in the US and African regions, along with additional revenue derived from the packaging segment through newly added capacity at Halol, Gujarat. The rating also factors in a stable and healthy credit profile, driven by steady earnings, a comfortable capital structure with moderate reliance on bank debt, and an adequate liquidity position. Further, the extensive experience of the promoters and the company's established position in the pharmaceutical and packaging industries provide diversification benefits. Leveraging the same, the company has developed a diversified product portfolio and geographic presence and established long relations with its key customers, which include reputed Indian pharmaceutical companies. The addition of new customers in export markets is expected to further support scale expansion.

The ratings, however, are constrained by the company's working capital-intensive operations and profit margins that remain exposed to intense competition, adverse fluctuations in raw material prices and foreign exchange (forex rates). Further, the company's operations are susceptible to regulatory risks in the form of timely approvals, along with regular audits and inspections by regulatory authorities. ICRA also notes GVCL's high customer concentration, with the top 10 customers accounting for around 67% of revenues in FY2025. ICRA notes that GVCL had extended corporate guarantees of Rs. 16.4 crore and Rs. 22.63 crore to Liangzi Quantum Applications Private Limited and Ryoshi Quantum Mechanics Private Limited, respectively, both of which were withdrawn during June-July 2025.

The Stable outlook reflects ICRA's expectation that GVCL's steady growth in revenue and earnings will continue to be supported by the extensive experience of its promoters, higher export sales, and improved utilisation of newly added capacities. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, if any, for further capacity expansion will be funded in a manner that allows it to durably maintain debt protection metrics commensurate with the existing ratings.

Key rating drivers and their description

Credit strengths

Experienced promoters – GVCL forms part of the Gopaldas Visram Group, which commenced operations in 1945. The group was established by the Late Gopaldas Visram Thakker along with his son, the Late Vallabhdas Gopaldas Thakker. At present, the company's operations are managed by the third and fourth generations of the Thakker family. Apart from GVCL, the Thakker family also promotes other group entities engaged in contract manufacturing for the pharmaceutical and packaging industries. Overall, the group has an operating track record of over eight decades.

Comfortable leverage and coverage indicators – GVCL has a comfortable financial risk profile, marked by steady growth in revenue and earnings, along with a comfortable capital structure and healthy debt coverage indicators. Supported by limited reliance on debt, the capital structure remains comfortable, with gearing at 0.2 times and TOL/TNW of 0.8 times as on March 31, 2025. Debt coverage indicators also remain healthy, reflected in an interest coverage ratio of 12.3 times and Total Debt/OPBDITA of 0.7 times as on March 31, 2025. In FY2024, GVCL had extended corporate guarantees of Rs. 16.4 crore and Rs. 22.63 crore to Liangzi Quantum Applications Private Limited and Ryoshi Quantum Mechanics Private Limited, respectively, both of which were withdrawn during June-July 2025.

Diversified revenue streams catering to the pharmaceutical and packaging segments – The company's operations are primarily divided into two segments—pharmaceuticals and packaging. The pharmaceuticals segment accounted for about 70% of total revenues in FY2025 and increased further to 74% during 10M FY2026, with the balance contributed by the packaging segment. Within the pharmaceutical business, around 68% of revenues are generated through the loan-licence model, while the remainder is derived from third-party manufacturing. The company has a diversified product portfolio of around 150 products across liquid, semi-solid, and powder dosage forms, catering to human consumption, animal healthcare, cosmetic products, and other applications. Under the packaging segment, GVCL is engaged in the manufacture of drug master file (DMF)-grade high-density polyethylene (HDPE) bottles and caps for several reputed pharmaceutical companies. The packaging operations are carried out from its United States Food and Drug Administration (USFDA)-certified facilities located at Goa and Halol, Gujarat. Export revenues increased to around 26% in FY2025 from 18% in FY2024, driven primarily by higher penetration in African countries and an increase in revenues from the US market to 26% in FY2025 from 19% in FY2024, supported by new customer additions.

Steadily improving revenue and earnings – GVCL reported a 14.5% YoY growth in top line to Rs. 319.7 crore in FY2025 while maintaining a healthy OPM of 18.3%. The growth in revenue was primarily driven by healthy demand in the pharmaceutical segment, well supported by capacity addition. The Halol facility for packaging is expected to improve utilisation to historical levels in the near term, supported by its strategic location close to key pharmaceutical customers. Further, increasing sales in export markets are expected to support revenue growth going forward.

Credit challenges

High customer concentration risk although established relationships with key customers mitigate the risk to an extent – The company remains exposed to customer concentration risk, with its top ten customers accounting for about 67% of revenues in FY2025. However, the promoters' extensive industry experience has helped GVCL build strong relationships with existing clients and secure new additions, resulting in repeat orders, which partially mitigates the concentration risk.

Intense competition limits margin flexibility to an extent – The domestic generic formulations industry is characterised by intense competition from numerous contract manufacturers, multinational companies, and established domestic players with a pan-India presence. This competitive intensity, coupled with exposure to volatility in raw material prices and foreign exchange rates, constrains GVCL’s margin flexibility to an extent. The company does not have any formal hedging policy in place, which exposes profitability to adverse forex movements.

operations exposed to regulatory risks – The company’s operations remain exposed to regulatory risks related to product and facility approvals, as well as the socio-political environment in export destinations. Timely approvals and renewals of manufacturing facilities, along with a stable macroeconomic environment, remain critical for sustaining direct and indirect sales across regulated and semi-regulated markets.

Liquidity position: Adequate

GVCL’s liquidity position is adequate, supported by free cash and balances of Rs. 21.5 crore, as on March 31, 2025, along with sufficient buffer in its working capital limits with average utilisation of about 9% against sanctioned limits of Rs. 28.5 crore during the last 12 months ended in February 2026. There are no major capex plans in near term. The company’s internal accrual generation and cash availability are expected to be sufficient for debt repayment of Rs. 6-7 crore annually during FY2026 and FY2027.

Rating sensitivities

Positive factors – ICRA could upgrade GVCL’s ratings if it demonstrates healthy growth in revenue and earnings while sustaining its liquidity profile and debt protection metrics.

Negative factors – The ratings may be downgraded, if there is a significant decline in revenue and earnings, or large debt funded capex/acquisitions leading to deterioration in liquidity profile and debt coverage metrics. A specific credit metric for a downgrade includes total debt/OPBITDA more than 2.0 times, on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

GVCL, a part of the Gopaldas Visram Group, was established in 1945 by the Late Gopaldas Visram Thakker and his son, the Late Vallabhdas Gopaldas Thakker. The company is involved in liquids, ointments, and personal care product formulation development and manufacturing for the pharmaceutical industries, as well as packaging products, used for the pharma industry. Mr. Dinesh Thakker, Mr. Chandresh Thakker and Mr. Mukund Thakker, the sons of Mr. Vallabhdas Thakker, are the key shareholders and part of the management team. GVCL operates from its two factory units and warehousing facilities under the pharma business in MIDC, Navi Mumbai (Maharashtra), and two manufacturing units in Goa and Halol (Gujarat) for its packaging segment.

Key financial indicators (audited)

GVCL - Standalone	FY2024	FY2025
Operating income	279.3	319.7
PAT	29.9	33.6
OPBDIT/OI	18.8%	18.3%
PAT/OI	10.7%	10.5%
Total outside liabilities/Tangible net worth (times)	0.8	0.8
Total debt/OPBDIT (times)	0.9	0.7
Interest coverage (times)	8.6	12.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts 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 (FY2026)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Mar 27, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long-term	26.37	[ICRA]A-(Stable)	Feb 20, 2025	[ICRA]BBB+(Stable)	Oct-30-23	[ICRA]BBB+(Stable)	Jul-14-22	[ICRA]BBB+(Stable)
				-	-	Nov-23-23	[ICRA]BBB+(Stable)	-	-
Fund-based – Cash credit	Long-term	28.50	[ICRA]A-(Stable)	Feb 20, 2025	[ICRA]BBB+(Stable)	Oct-30-23	[ICRA]BBB+(Stable)	Jul-14-22	[ICRA]BBB+(Stable)
				-	-	Nov-23-23	[ICRA]BBB+(Stable)	-	-
Non-fund based limits – Others	Short-term	0.00	-	Feb 20, 2025	[ICRA]A2	Oct-30-23	[ICRA]A2	Jul-14-22	[ICRA]A2
				-	-	Nov-23-23	[ICRA]A2	-	-
Non-fund based limits –Letter of Credit	Short-term	16.00	[ICRA]A2+	-	-	-	-	-	-
Unallocated limits	Long-term/Short-term	6.40	[ICRA]A-(Stable)/[ICRA]A2+	Feb 20, 2025	[ICRA]BBB+(Stable)/[ICRA]A2	-	-	Jul-14-22	[ICRA]BBB+(Stable) / [ICRA]A2

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based – Term loan	Simple
Fund-based – Cash credit	Simple
Non-fund based limits – Letter of Credit	Simple
Unallocated limits	Not applicable

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 – Term loan	FY2017	~9.0 - 9.5%	FY2026	26.37	[ICRA]A- (Stable)
NA	Fund-based – Cash credit	NA	NA	NA	28.50	[ICRA]A- (Stable)
NA	Non-fund based limits – Letter of credit	NA	NA	NA	16.00	[ICRA]A2+
NA	Unallocated limits-LT/ST	NA	NA	NA	6.40	[ICRA]A-(Stable)/[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not applicable

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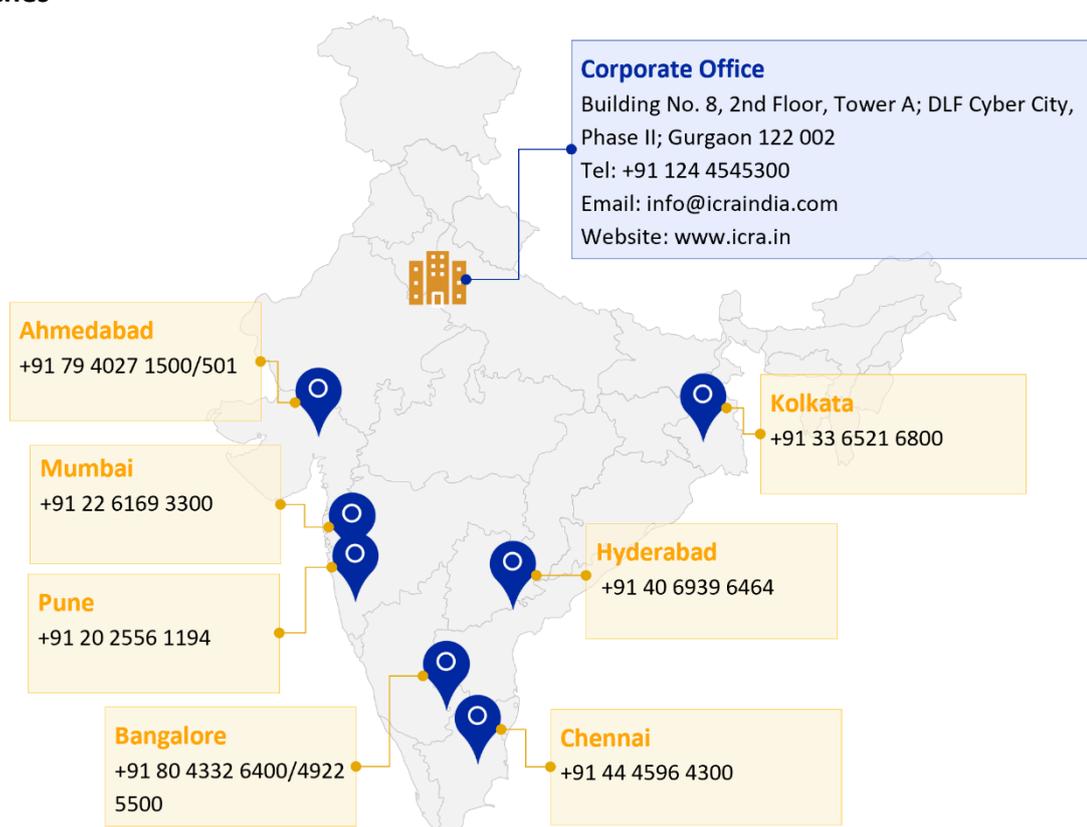
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