



**Press Release**  
**GIRIAS INVESTMENT PRIVATE LIMITED**  
**August 19, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	100.00	ACUITE BBB+   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	100.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned long-term rating of "**ACUITE BBB+**" (read as **ACUITE triple B Plus**) on Rs.100.00 crore bank facilities of Girias Investment Private Limited(GIPL). The outlook is '**Stable**'.

**Rationale for Rating:**

The rating factors experience of promoters in the retail business with vintage of operations over four decades. Girias Investment Private Limited (GIPL) showcases stable operating performance and financial resilience, supported by a strong retail footprint of 175 outlets in Karnataka, Tamil Nadu, and Pondicherry. The company's operating income grew 10.57% year-on-year to Rs.1,261.30 crore in FY25 (prov.), with Karnataka contributing 63% of revenue. Improved profitability reflected in operating and net margins of 4.20% and 3.32% in FY25(prov), aided by cost optimization and one-time gain on asset sale. GIPL maintains a healthy financial risk profile with stable gearing of 1.15x in FY25(prov), improved debt protection metrics with ICR: 3.88x and DSCR: 3.50x in FY25(prov) and no long-term borrowings. Liquidity is adequate, backed by net cash accruals of Rs.52.31 crore and healthy bank balances Rs.27.70 crore in FY25(prov), alongside moderate reliance on working capital loan, Inventory-led working capital elongation is offset by efficient debtor and creditor management. Continued growth through store additions, healthy brand portfolio, and conservative financial policies underpin a stable credit outlook. However, geographic concentration in Karnataka and absence from e-commerce heighten exposure to regional and competitive risks, which remain key monitorable.

**About the Company**

Girias Investment Private Limited (GIPL), founded in 1999 with its registered office in Bangalore, has evolved from a single store established in 1972 to 175 retail outlets in Tamil Nadu, Karnataka, and Puducherry. They are basically in the retail business, specializing in the sale of home appliances and electronic items under the showroom name "Girias." The business is run by the Giria family; the business was initiated by Pannalal Giria, Kanhaiyalal Giria, and Hansraj Giria and later expanded significantly from 2002 when their sons joined the venture. Now, the third generation is also involved.

**Unsupported Rating**

Not Applicable.

**Analytical Approach**

Acuite has taken standalone approach to analyse the business and financial risk profile of GIPL.

**Key Rating Drivers**

**Strengths**

Established market position:

GIPL has been engaged in the retail of electronic products for over four decades, establishing a strong regional

presence across Karnataka, Tamil Nadu, and Puducherry with a network of 175 showrooms. The company offers a diversified product portfolio in the home appliances and consumer electronics segment, including televisions, refrigerators, washing machines, air conditioners, mobiles, laptops, accessories etc. Its longstanding relationships with leading brands such as LG, Samsung, Haier, Whirlpool, Sony etc, provide strategic advantages, enabling GIPL to secure supplier incentives like cash discounts, trade discounts, and commissions for surpassing sales targets thereby supporting its competitive positioning and profitability.

#### **Steady scale of operations:**

GIPL's total operating income rose by 10.57% to Rs.1,261.30 crore in FY25 (provisional) from Rs.1,140.73 crore in FY24, supported by the addition of 28 new retail outlets and strong regional traction, particularly in Karnataka, which contributed 63% of total sales. Retail sales dominate the revenue mix at 92%, with 65% of turnover from home appliances. Operating profit margin improved marginally to 4.20% in FY25 from 4.14% in FY24, while net profit margin rose significantly to 3.32% from 1.46%, aided by a one-time gain of Rs.25.40 crore from the sale of a non-operational warehouse. ROCE strengthened to 14.56% from 9.23%, reflecting better asset efficiency. Acuite believes that the operating performance of GIPL will improve over the medium term on account of the new addition of showrooms, while seasonal sales volatility and geographical concentration risks will be monitorable.

#### **Healthy Financial Risk Profile:**

GIPL's financial risk profile remains healthy, marked by a rise in net worth to Rs.244.76 crore in FY2025 (prov) from Rs.202.95 crore in FY2024, reflecting steady accretion to reserves. Total borrowings increased to Rs.281.07 Cr. in FY 2025 (prov) crore from Rs.245.03 crore in FY 2024, yet gearing remained stable at 1.15x in FY 2025 (prov) compared to 1.21x in FY 2024, indicating controlled leverage. Additionally, TOL/TNW declined slightly to 1.43x in FY 2025 (prov) from 1.49x in FY 2024. The company's debt is entirely short-term, comprising working capital loans and unsecured loans from directors with no long-term borrowings. Debt protection metrics improved, with ICR at 3.88x and DSCR at 3.50x in FY 2025 (prov), up from 3.05x and 2.69x respectively in FY 2024. Acuite expects that financial risk profile will further improve on account of repaying the unsecured loan.

#### **Moderate Working Capital Management:**

GIPL's working capital management remains stable, with a marginal elongation in Gross Current Asset (GCA) days to 101 days in FY2025 (Provisional) from 93 days in FY2024, primarily driven by increased inventory holding rising to 86 days in FY2025 (Prov) from 81 days in FY2024 and higher other current assets, which increased to Rs.22.06 crore (Prov) in FY2025 from Rs.14.21 crore in FY2024 due to elevated advance tax and GST credit. Debtor days remained low at 6 days in FY2025 (Prov) compared to 7 days in FY2024, reflecting efficient receivables management. Accounts payable days stood at 16 days (Prov) in FY2025 as compared to 15 days in FY2024. Acuite believes that GIPL's working capital cycle will continue to improve, supported by consistent inventory monitoring and prudent financial practices.

#### **Weaknesses**

##### **Geographic concentration in revenue and exposure to intense competition:**

GIPL derives around 63% of its total turnover from Karnataka, indicating a high geographical concentration that poses a risk in case of adverse regional developments. Additionally, the company currently operates solely through physical retail outlets and lacks an e-commerce presence, making it susceptible to growing competition from online platforms and a fragmented market of organized and unorganized players. This operational model limits its scalability and adaptability in a retail environment that is increasingly driven by digital engagement and consumer convenience

#### **Rating Sensitivities**

1. Inventory Management
2. Movement in topline and profitability

#### **Liquidity Position**

##### **Adequate**

GIPL's liquidity position is assessed to be comfortable and improving, underpinned by consistent net cash accruals, prudent financial management, and moderate reliance on working capital borrowings. In FY2025 (Provisional), the company generated net cash accruals of Rs.52.31 crore, significantly higher than Rs.26.79 crore

in FY2024, with nil debt repayment obligations in either year; the increase in FY2025 accruals was primarily driven by profit from the sale of a building. The current ratio remained stable at 1.37x in FY2025 (Prov) compared to 1.43x in FY2024, while cash and bank balances improved substantially to Rs.27.70 crore in FY2025 (Prov) from Rs.15.45 crore in FY2024, enhancing the company's short-term liquidity buffer. Additionally, the directors demonstrated financial flexibility as reflected from Rs.91.14 crore as outstanding unsecured loans in FY2025 (Prov). The company's average maximum bank limit utilization stood at a moderate 72% for the 12 months ending April 2025. Acuité expects GIPL's liquidity profile to remain Adequate over the medium term, supported by steady accruals, absence of debt-funded capex or repayment obligations, and moderate reliance on bank limits for working capital needs.

**Outlook: Stable**

**Other Factors affecting Rating**

None.

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	1261.30	1140.73
PAT	Rs. Cr.	41.82	16.69
PAT Margin	(%)	3.32	1.46
Total Debt/Tangible Net Worth	Times	1.15	1.21
PBDIT/Interest	Times	3.88	3.05

### Status of non-cooperation with previous CRA (if applicable)

CRISIL, vide its press release dated July 03rd, 2025 had denoted the rating of Girias Investment Private Limited as "Crisil BB+ /Stable" DOWNGRADED AND ISSUER NOT CO-OPERATING'.

### Any other information

None.

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

### Rating History :

Not Applicable.

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	100.00	Simple	ACUITE BBB+   Stable   Assigned

## Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Shreya Banerjee Analyst-Analytical Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### About Acuité Ratings & Research

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