

Parth Electricals & Engineering Limited

October 07, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long Term / Short Term Bank Facilities	RBI	-	-	Reaffirmed at CARE BBB-; Stable / CARE A3 and withdrawn
Long Term Bank Facilities	RBI	-	-	Reaffirmed at CARE BBB-; Stable and withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BBB-; Stable/ CARE A3' assigned to the bank facilities of Parth Electricals & Engineering Limited (PEEL) with immediate effect. The above action has been taken at the request of PEEL and 'No Objection Certificate' received from the bank that has extended the facilities rated by CARE.

Ratings assigned to bank facilities of PEEL continue to derive strength from experienced promoters, with established track record of operations and reputed as well as diversified clientele. The ratings, also take cognisance of growth in PEEL's scale of operations in FY26 (refers to period from April 01 to Mar 31), improvement in capital structure with satisfactory debt coverage indicators and adequate liquidity position.

The ratings however remain constrained on account of moderate scale of operations. The ratings also factor susceptibility of its profitability to volatility in raw material prices and presence of PEEL in competitive and fragmented electric equipment manufacturing and installation industry.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings Limited's expectations that the company will continue to benefit from vast experience of the promoters in education industry and sustain its moderate financial risk profile

Detailed description of key rating drivers

Key strengths

Established track record and experience of promoters

Jignesh Kumar Patel is a qualified as B.E. in Electrical Engineering. He started his career working under employment with two reputed companies (namely Jyoti Ltd and Siemens Ltd) across divisions e.g. Customer Services, Sales & Marketing and Project Execution for around 10 years.

Mr Patel started his entrepreneurial journey in 2005 as service provider and gradually expanded into manufacturing and distribution of electrical products. He is fully supported by his wife Mrs. Jemini Patel, who is science graduate and associated with company since inception. She looks after all levels of the organization, starting with General Administration, Commercial Offers, Accounts, Project Management, before taking up the operations side of the business since the last 5 years. Both the promoters possess strong technical expertise and core competencies in current operation of the company.

Moderate Profit margins; albeit susceptibility of profitability to volatility in raw material prices

PEEL's PBILDT margin improved and stood moderate at 10.53% in FY26 (10.09% in FY25) with PAT margin of 7.19% (PY:5.79%). Key raw materials i.e. Steel sheets, aluminium, copper, cables, switchgears, and electrical accessories constitute ~90%-95% of the total cost and exhibit high volatility in its prices impacting profit margins. However, PEEL is majorly engaged in execution of short to medium term projects along with order backed procurement from suppliers which mitigates price fluctuation risk to certain extent.

¹SEBI: 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

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Diversified and reputed customer profile

The company has established diverse clientele in past 19 years, which includes reputed corporates namely IED Infrastructure Pvt Ltd, M/S Shivranjani Construction Co, Waaree Energies Limited (Rated; CARE AA-; Stable/A1+), Om Power Transmission Pvt Ltd., Schneider Electric Infrastructure Ltd, Monte Carlo Limited Tata Powers etc. With assurance for supply of quality products and services, PEEL is able to secure repeated orders from these clients.

Comfortable capital structure

The entity's capital structure improved and stood comfortable, as marked by an overall gearing of 0.30x as on March 31, 2026 (0.84x as on March 31, 2025) with low reliance on external debt. The total outside liabilities to net worth stood moderate at 0.63x as on March 31, 2026, improved from 1.39x as on March 31, 2025. The improvement in capital structure was on account of accretion of profit to reserves and with infusion of equity through IPO of Rs.49.72 cr. in FY26. PEEL has moderate networth base of Rs.111.05 cr. as at FY26 end. Debt coverage indicators remain satisfactory marked by Total Debt/Gross Cash Accruals (TD/GCA), and interest coverage ratio of 1.27x (FY25: 2.88x) and 6.96x (FY25: 4.67x) respectively as on March 31, 2026.

Key weaknesses

Moderate; albeit growing scale of operations

The scale of PEEL although grew significantly in FY26 and stood moderate at Rs.197.99 cr. (PY. Rs.174.64 cr.) The increase in TOI was mainly on account of timely execution of orders with major focus on manufacturing division and incremental revenue from technology sharing agreement with Schneider Electric Infrastructure Ltd.

Highly fragmented and competitive industry

PEEL operates in a highly competitive and fragmented industry and thus witnesses intense competition from largely unorganized players as the projects especially in the tender-based where the revenues are dependent on the company's ability to bid successfully. This fragmented and highly competitive industry results into price competition thereby affecting the profitability margins of the companies operating in the industry.

Liquidity: Adequate

The liquidity position of PEEL is adequate marked by sufficient GCA to service its term debt obligations. PEEL has moderate gross working capital cycle on account of collection period ranging from 50-120 days and inventory holding period in range of 30-45 days in past 3 years ending FY26. However, PEEL credit period from suppliers in range of 35-140 days in past 3 years trailing FY26.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Electrical Equipment	Heavy Electrical Equipment

Incorporated in 2007, Parth Electricals & Engineering Limited (PEEL), based in Vadodara, specializes in manufacturing and distributing electrical switchgear and products, along with project execution. Its product range includes medium and low voltage panels, control and relay panels, metering panels, Fast Transfer Systems (FBT), Gas Insulated Switchgears (RMU), earth link boxes, and Unitized Substations (USS). PEEL also provides services like installation of Air Insulated Substations (AIS) up to 220 kV, Gas Insulated Substations (GIS) up to 400 kV, testing and commissioning, and high voltage cable laying up to 220 kV, among others.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	86.78	174.64	197.99
PBILDT*	9.27	17.62	20.85
Profit after tax (PAT)	4.56	10.12	14.24
Overall gearing (x)	1.29	0.84	0.30
Interest coverage (x)	5.25	4.67	6.96

A: Audited; Note: these are latest available financial results

PBILDT: Profit before Interest, Lease, Depreciation and Tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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 - LT-Cash Credit	RBI	Simple	-		-	-	0.00	Withdrawn
Fund-based - LT-Term Loan	RBI	Simple	-		-	30-09-2031	0.00	Withdrawn
Non-fund-based - LT/ST-Bank Guarantee	RBI	Simple	-		-	-	0.00	Withdrawn

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 - LT-Term Loan	LT	-	-	1)CARE BBB-; Stable (07-Oct-2026)	1)CARE BBB-; Stable (09-Jul-25)	1)CARE BB+; Positive (09-Oct-24)	-
2	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BBB-; Stable (07-Oct-2026)	1)CARE BBB-; Stable (09-Jul-25)	1)CARE BB+; Positive (09-Oct-24)	-
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	1)CARE BBB-; Stable / CARE A3 (07-Oct-2026)	1)CARE BBB-; Stable / CARE A3 (09-Jul-25)	1)CARE BB+; Positive / CARE A4+ (09-Oct-24)	-

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: Lender details**

To view lender-wise details of bank facilities please [click here](#)

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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