



Press Release

Cellecor Gadgets Limited

February 25, 2026

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	115.00	IVR A-/Stable [IVR A Minus with Stable outlook]	-	Rating assigned	Simple
Long Term/ Short Term Facilities	85.00	IVR A-/Stable; IVR A2+ [IVR A Minus with Stable outlook; IVR A Two Plus]	-	Rating assigned	Simple
Total	200.00	[Rupees Two Hundred 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 assigned its ratings assigned to the bank facilities for the long-term facilities at IVR A- with stable outlook and IVR A2+ to the short-term bank facilities to Cellecor Gadgets Limited (CGL).

The rating assigned factors in the company's strong pan-India distribution network and its diversified product portfolio, which together support a robust market presence. The ratings also derive comfort from the company's comfortable capital structure and its continuously growing scale of operations. However, the ratings remain constrained by moderated profitability, exposure to intense competition, and the limited track record of its brand *Cellecor*. Nonetheless, the proportion of sales generated from the company's own brand has shown a rising trend in recent years and is expected to continue growing at a healthy pace, further strengthening the scale of operations.

The **Stable outlook** reflects Infomerics Ratings' expectation of an increasing scale of operations and sustained improvement in profitability. Infomerics Ratings believes that the company will continue to benefit from, expanding brand recognition, and widening geographical presence, all of which are expected to contribute to continued growth in its scale of operations.



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Infomerics Ratings has principally relied on the standalone audited financial results of the company up to 31 March 2025 (refers to period April 1st, 2024, to March 31st, 2025) and projected cashflows for FY2026 (refers to period April 1st, 2025, to March 31st, 2026) - FY2028 (refers to period April 1st, 2027, to March 31st, 2028), and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

- **Upward Factors**
 - Sustained improvement in scale of operations and profitability
 - Improved debt protection metrics; specific metrics being Total debt to EBITDA below unity on sustained basis
- **Downward Factors**
 - Significant decline in scale of operations and profitability
 - Significant deterioration in debt protection metrics.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Strong Pan-India distribution network and diversified product portfolio supporting market presence**

The company has built a strong market presence in the domestic consumer electronics segment, supported by an extensive distribution and retail network comprising over 70,000+ retailers and 1,800+ distributors. This wide network enables product availability across multiple states and union territories, covering both urban and semi-urban markets. Cellecor offers a diversified portfolio of more than 600 SKUs across various consumer electronics categories, enhancing its ability to cater to diverse consumer preferences. The company's robust after-sales support infrastructure, with over 2,000 service centers, strengthens customer engagement and brand credibility. The well-established marketing reach and distribution depth provide operational stability and support revenue scalability for the company.
- **Continuous growing scale of operations albeit moderation in profitability**



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The total operating income of the company has grown at a CAGR of 103.75% during last three years ending March 31, 2025, further, on y-o-y basis has improved significantly by 105.00% and stood Rs. 1025.95 crore in FY25 improved from Rs. 500.45 crore in FY24 on account of increase in sales of home appliance and smart mobile phones. The GCA stood at Rs. 31.57 crore in FY25 compared to Rs. 16.57 crore in FY24 on account of improved operational level profits. Although improved scale of operations, the EBITDA margin of the company declined by 62 bps and stood at 5.29% in FY25 compared to 5.91% during FY24 on account of substantial increase in cost of trade purchase exerting pressure on margins along with increase in manufacturing cost specifically freight expenses, reduction in the dealer margins by certain OEMs and an increase in promotional spend. Subsequently, the PAT margin of the company also declined by 20 bps and stood at 3.01% during FY25 compared to 3.22% during FY24 on account of decline in operational profitability along with increased interest and finance cost.

- **Comfortable capital structure**

The capital structure of the company stood comfortable marked by overall gearing of 0.78x as on March 31, 2025, improved from 0.84x as on March 31, 2024, on account of improved TNW along with increase in equity. The indebtedness of the company stood moderate marked by TOL/ANTW stood at 1.17x as on March 31, 2025, although deteriorated from 1.08x as on March 31, 2024, on account of higher utilization of working capital bank borrowing as on balance sheet date.

Key Rating Weaknesses

- **Exposure to intense competition and margin vulnerability**

The company operates in the highly competitive consumer electronics and mobile accessories segment, where numerous organized and unorganized players exist. The industry is price-sensitive, which limits pricing power and puts pressure on margins. Aggressive discounting and promotional schemes may further compress profitability. Any increase in raw material or import costs may not be fully passed on to customers. Sustained margin pressure can weaken cash accruals and debt servicing ability.



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- **Limited track record of operations**

CGL has a relatively limited operational track record compared to established industry participants. The company's scale of operations remains modest, which may restrict economies of scale and bargaining power with suppliers and distribution partners. Additionally, limited diversification across product categories and geographies may expose the company to concentration risks. Any aggressive growth strategy funded through external borrowings could elevate financial leverage and moderate debt coverage indicators. Nonetheless, the proportion of sales generated from the company's own brand has shown a rising trend in recent years and is expected to continue growing at a healthy pace, further strengthening the scale of operations.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Trading Companies](#)

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

[Criteria for assigning Rating Outlook](#)

[Instrument/ Facility wise default recognition & Post- Default Curing Period](#)

[Complexity level of rated Instruments/Facilities](#)

Liquidity – Adequate

The liquidity position of the company is adequate, marked by sufficient cash accruals as against its repayment obligations. The Company's average fund-based working capital limit utilization stood moderate at 85.90% for the last 12 months ended December 2025 indicating adequate buffer in its working capital limits. Further, the company had free cash and cash equivalent to the tune of Rs. 10.89 crore as on December 31, 2025, which is expected to support the liquidity profile of the company in the near to medium term. The current ratio of the company stood at 1.76x as on March 31, 2025. Further, the company expects sufficient cushion in cash accruals against its debt repayments. The operating cycle of the company stood at 57 days in FY25 improved from 50 days in FY24.



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About the Company

CGL operating under the brand “Cellecor,” was incorporated in 2012 (formerly Unity Communications) and is listed on the NSE EMERGE platform. The company is engaged in sourcing, branding, marketing, and distribution of consumer electronics and home appliances across India. Its portfolio includes smart televisions, mobile phones, wearables, audio products, mobile accessories, and a range of home and kitchen appliances. The company operates primarily through OEM and ODM arrangements, with select products aligned to the “Make in India” initiative. CGL has an established pan-India distribution network spanning offline retail and online channels, catering to urban and rural markets.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on**	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	500.45	1025.95
EBITDA	29.58	54.25
PAT	16.09	30.90
Total Debt	74.74	120.89
Tangible Net Worth (Adj.)	89.22	154.02
EBITDA Margin (%)	5.91	5.29
PAT Margin (%)	3.22	3.01
Overall Gearing Ratio (x)	0.84	0.78
Interest Coverage (x)	4.00	4.52

**Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: - None

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Rating (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Current Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
				-	-	-	-
1.	Cash Credit	LT	35.00	IVR A-/ Stable	-	-	-



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Sr. No.	Name of Security/Facilities	Rating (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Current Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
				-	-	-	-
2.	Proposed (Cash Credit)	LT	80.00	IVR A-/ Stable	-	-	-
3.	Axis Bank	LT/ST	50.00	IVR A-/ Stable; IVR A2+	-	-	-
4.	CSB Bank	LT/ST	35.00	IVR A-/ Stable; IVR A2+	-	-	-

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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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For more information and definition of ratings please visit www.infomerics.com.

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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
Cash Credit	-	-	-	-	35.00	IVR A-/Stable
Proposed	-	-	-	-	80.00	IVR A-/Stable
Cash Credit	-	-	-	-	50.00	IVR A-/Stable; IVR A2+
WCDL	-	-	-	-	35.00	IVR A-/Stable; IVR A2+

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_cellecor_feb26_975a956f70.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.