



## Press Release

### Jaimal Traders Private Limited (JTPL)

March 13, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	20.00	IVR BB-/Stable (IVR double B minus with stable outlook)	--	Rating Assigned	<a href="#">Simple</a>
Long Term Bank Facilities - Proposed	5.00	IVR BB-/Stable (IVR double B minus with stable outlook)	--	Rating Assigned	<a href="#">Simple</a>
<b>Total</b>	<b>25.00</b>	<b>Rupees Twenty-Five Crore Only</b>			

**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 the rating to the bank facilities of JTPL derives comfort from moderate capital structure and net worth, strong association with brands, and extensive industry experience of promoter. However, these ratings are partially offset by the small scale of operations though improving year on year, thin profitability, and competitive and fragmented nature of industry.

The Stable outlook reflects strong association with brands and continuous support from the experienced promoter.

#### Key Rating Sensitivities:

##### Upward Factors

- Sustained increase in scale of operation with improvement in cash accruals

##### Downward Factors

- Decrease in operating income and/or profitability impacting the debt coverage indicators on a sustained basis



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### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

##### **Moderate capital structure and net worth**

The capital structure remained moderate marked by overall gearing and TOL/ATNW at 1.59x and 1.70x as on March 31, 2024 (March 31, 2023: 1.55x and 1.72x) due to increase in working capital borrowings. Further, the adjusted net worth marginally improved though remained moderate at Rs. 18.11 crore as on March 31, 2024 (March 31, 2023: Rs. 17.38 crore) due to profit accretion. Infomerics has considered Rs. 6.77 crore as quasi capital and subordinated to the bank.

##### **Strong Association with Brands**

JTPL is a regional distributor of BPL, Samsung, O'General, Nokia, Philips, and other known brands for Nagpur only. SCPL is engaged in distribution of products such as mobile phones, refrigerator, television and air-condition. Along with this, JTPL has diversified into the new vertical called authorised dealership of Kinetic Green (Kinetic E-rickshaw).

##### **Extensive industry experience of promoter**

The promoters have more than five decades of experience as wholesalers of electronic items. The second generation is in charge of the company, whereas the first generation sold radios and valve sets in Nagpur. As a result, they have been able to build solid relationships with suppliers and consumers and comprehend the dynamics of the business and industry.

#### Key Rating Weaknesses

##### **Small scale of operations though improving year on year**

Despite being into the business since more than 15+ years, the total operating income (TOI) of the JTPL has remained small scale over the years, with a CAGR of ~14% over the last 3 fiscal years i.e. FY21 to FY24. The total operating income grew by 10.10% to Rs. 66.51 crore in FY24 (period refers from April 01, 2023, to March 31, 2024) (FY23: Rs. 60.41 crore) mainly due to additions of brand and higher demand for air conditions due to summer season. Further, till January 2025, JTPL has achieved revenue of Rs. 39.67 crore only (Previous year till January 2024: Rs. 39.67 crore) However, historically March contributes higher sales due to



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start of summer and with dealership of Kinetic E-Rickshaw. JTPL is expected to surpass the revenue of FY24.

### **Thin Profitability**

Despite being into the wholesale distributor of the white goods and mobile phones, the profitability margin remained thin and declined in FY24 marked by EBITDA margin and PAT margin at 5.79% and 0.53% respectively (FY23: 7.40% and 0.57%) on account of higher discounts due to competition from E-Retailers So, to alleviate this risk, JTPL has entered into the new segment called authorised distributorship of Kinetic Green (Kinetic E-Rickshaw) for the Nagpur region. Thus, the margins will improve in the medium term.

### **Competitive and fragmented nature of industry**

The mobile handset and electronic goods trading industry is highly competitive and fragmented in nature. The company's business is linked to the technological upgradations/advancements carried out in their respective products by its suppliers. This makes the company's business susceptible to changes in technology and the ability of its suppliers/vendors to adapt to the same. Additionally, the company's margins are dependent on the change of its vendors policies as regards margins/ discounts allowed to distributors like the company.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Trading Companies](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and post default curing period](#)

[Complexity Level of Rated Instruments/Facilities](#)



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### Liquidity: Adequate

The liquidity profile remained adequate with expected gross cash accruals of Rs. 1.94 crore to Rs. 3.12 crore in FY25 to FY27 and the repayment of GECL remained at of Rs. 0.80 crore for FY25 to FY27. The average utilisation of its fund based working capital facilities was stood at 97.43% in the 12 months ended January 2025. The current ratio remained comfortable and stood at 1.69x as on March 31, 2024.

### About the Company

Incorporated in 2007 at Nagpur, Maharashtra, JTPL is engaged into trading and distribution electronic goods, including televisions, refrigerators, and mobile phones. The company is promoted by Mr. Deepak Malhotra and Mr. Pankaj Malhotra.

### Financials (Standalone):

	(Rs. crore)	
For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	60.41	66.51
EBITDA	4.47	3.85
PAT	0.34	0.36
Total Debt	26.89	28.77
Adjusted Tangible Net Worth	17.38	18.11
EBITDA Margin (%)	7.40	5.79
PAT Margin (%)	0.57	0.53
Overall Gearing Ratio (x)	1.55	1.59
Interest Coverage (x)	1.14	1.06

\* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil



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### Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned	Date(s) & Rating(s) assigned	Date(s) & Rating(s) assigned
1.	Cash Credit	Long Term	20.00	IVR BB-/Stable	--	--	--
2.	Cash Credit - Proposed	Long Term	5.00	IVR BB-/Stable	--	--	--

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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.

For more information and definition of ratings please visit [www.infomerics.com](http://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	--	--	--	Revolving	20.00	IVR BB-/Stable
Cash Credit - Proposed	--	--	--	Revolving	5.00	IVR BB-/Stable

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Jaimal-Traders-13mar25.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](http://www.infomerics.com)