

## PRESS RELEASE

### **JAGDAMBA MOTORS PRIVATE LIMITED**

May 2026

#### Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	1,493.76 (enhanced from 1,481.80)	IRN BBB+	Reaffirmed
Short Term Bank Facilities	4,485.60	IRN A2	Reaffirmed
<b>Total</b>	<b>5,979.36</b>		

*Details of facilities are in Annexure 1 below*

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has reaffirmed the rating of IRN BBB+ (Triple B Plus) assigned to the long-term bank facilities of NPR 1,493.76 Mn and IRN A2 (A Two) to the short-term bank facilities of NPR 4,485.60 Mn.

#### Detailed Rationale

The reaffirmation of ratings assigned to the bank facilities of Jagdamba Motors Private Limited (JMPL) factor in the strong revenue growth of ~43% y-o-y in FY25, with total operating income increasing to NPR 12,558 Mn, primarily driven by recovery in vehicle demand across the industry, particularly in the two-wheeler segment. The company was also able to maintain the growth momentum in H1FY26 with reported revenue of ~NPR 9,068 Mn, supported by addition of four-wheeler EVs and smartphones to its product portfolio. The ratings further derive comfort from the company's-controlled leverage profile, marked by gearing of 1.58x as of mid-January 2026, despite consistent dividend payouts over the years. The ratings also continue to draw strength from the strong parentage of Shanker Group, which has diversified business interests across steel, cement, polymers, trading and hospitality sectors in Nepal. Further comfort is derived from the established market presence of TVS Motor Company two-wheelers in Nepal, extensive dealer network and experienced promoter and management profile of the company.

However, the ratings remain constrained by the sustained moderation in the company's operating profit margin despite the increased operational scale in FY25 and H1FY26. While the ratings take note of the consolidated operational profile of JMPL along with its backward integrated assembly unit, [Jagdamba Auto Private Limited](#) (JAPL), continued pressure on profitability coupled with consistent dividend payouts could adversely impact the company's capitalization and coverage indicators and therefore remains a key rating monitorable. The ratings also continue to factor in the intense competition in the domestic automobile industry, particularly in the two-wheeler segment from established brands such as Bajaj Auto, Honda and Yamaha, all of which maintain a strong presence in the growing scooter segment and have further enhanced competitiveness through commencement of local assembly operations. Going forward, JMPL's ability to maintain stable profitability amid revenue growth and contain working capital intensity and dividend payouts, thereby improving its capitalization profile, will remain key rating sensitivities.

#### Detailed Description of Key Rating Drivers

##### Key Rating Strengths

#### **Parentage of experienced Shanker Group with experienced promoter and experienced management team**

Shanker Group provides strong parentage support to JMPL through its established presence across diverse sectors in Nepal, including steel, cement, polymers, trading, hospitality, and insurance. The company benefits from the extensive business experience and financial strength of the group, which

supports its operational and strategic positioning. JMPL is led by Mr. Shahil Agrawal, Sole Director, who possesses around two decades of experience in trade and industry. Further, the company is supported by a team of technically qualified and experienced professionals responsible for managing the day-to-day operations of the business.

## **Established market position supported by long track record and extensive distribution network**

JMPL has established a strong position in Nepal's automobile sector, supported by an operational track record of more than 14 years in trading of two-wheelers, three-wheelers and four-wheelers along with spare parts, servicing and accessories. The company currently represents reputed international brands including TVS Motor Company for two-wheelers and three-wheelers, Proton Holdings under Geely Holdings, JMEV and Chery EV vehicles, and ADNOC Distribution lubricants, while also entering the smartphone segment from FY25 through the ZTE brand. Further, the company's extensive distribution and servicing network comprising 134 dealers across major cities of Nepal supports strong market reach and customer accessibility.

## **Healthy revenue growth, moderate capital structure and debt coverage indicators**

JMPL reported healthy revenue growth of ~43% in FY25, supported by the recovery in demand trends across the automobile sector, and was able to maintain the growth momentum in H1FY26 as well. Despite continued pressure on operating margins, the increased business volume along with the declining borrowing rates supported moderate debt coverage indicators, reflected in improvement in the interest coverage ratio to 3.42x in H1FY26 from 2.77x in FY25. Further, the company's leverage profile remained satisfactory with gearing of around 1.58 times as of mid-January 2026, despite consistent dividend payouts in recent years.

## **Key Rating Weaknesses**

### **Moderation in profitability amid improved demand**

Despite the recovery in revenue profile, JMPL's profitability margins have remained under pressure with operating profit margin moderating to 7.09% in FY25 and further to 6.10% in H1FY26 from 10.02% in FY23. While the ratings derive comfort from the overall profitability of the group and improved operational performance of the backward integrated unit-JAPL, the weakening internal capital generation, continued dividend payouts, sustained elongation in working capital cycle and potential reversal in borrowing rate trends could adversely impact the company's capitalization and liquidity profile. Accordingly, JMPL's ability to improve profitability margins amid volatility in revenues and moderate its dividend payout plans will remain a key rating monitorable and sensitivity. Further, any unanticipated moderation in debt coverage or debt servicing indicators could exert downward pressure on the ratings.

### **Exposure to economic cyclicity and intense competition in the automobile industry**

JAPL's business profile remains exposed to the inherent cyclicity of the automobile sector, which is closely linked to overall economic conditions and consumer purchasing power. The industry is highly price sensitive, and any increase in vehicle prices or fuel costs could adversely impact demand for two-wheelers, thereby affecting sales volumes. Further, the presence of several established players such as Honda Motor Company, Bajaj Auto, Hero MotoCorp and Yamaha Motor Company, along with the entry of new competitors in the market, intensifies competition within the industry. Such competitive pressures may constrain operating margins and limit bargaining power for entities such as JMPL and JAPL against other automobile assemblers and distributors. Consequently, the company's business risk profile remains susceptible to economic cycles and competitive dynamics within the sector.

### **Analytical Approach:** Standalone

## Applicable Criteria:

[Corporate Credit Rating Methodology](#)

## Past Rating Rationale

[Jagdamba Motors Private Limited: Bank Loan Rating Reaffirmed](#)

## About the Company:

Incorporated on December 27, 2010 as S.G Global Private Limited (SGP), the company was subsequently renamed as Jagdamba Motors Private Limited (JMPL) on June 28, 2015. JMPL is a part of the Shanker Group and is currently managed by Mr. Shahil Agrawal. The company serves as the sole authorized distributor of TVS Motor Company products and also represents PROTON cars in Nepal. Further, the company has diversified its product portfolio in the four-wheeler EV segment through brands such as JMEV and Chery, while also expanding into distribution of ZTE smartphones.

## Financial Indicators (Standalone)

For the year ended* As on	FY23	FY24	FY25	H1FY26
	Audited	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	7,812	8,772	12,558	9,068
EBITDA Margin (%)	10.23	10.02	7.09	6.10
Interest Coverage Ratio (x)	1.64	3.08	2.77	3.42
Total Debt/ EBITDA (x)	3.79	3.18	4.64	7.96
Current Ratio (x)	1.12	1.24	1.29	1.32
Overall Gearing Ratio (x)	1.65	1.29	1.69	1.58
TOL/TNW (x)	2.03	1.62	2.09	2.18

*Earning before Interest Tax Depreciation Amortization  
Total Outside Liabilities/Tangible Net Worth (TOL/TNW)  
\*Classification as per Infomerics Nepal standards*

## Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Ratings
Fund Based Bank Facilities- Term Loan	Long Term	1,493.76	IRN BBB+
Fund Based Bank Facilities- Working Capital Loan	Short Term	1,914.20	IRN A2
Non-Fund Based Bank Facilities – LC/BG <sup>1</sup>	Short Term	2,571.40	IRN A2
<b>Total Facilities</b>		<b>5,979.36</b>	

<sup>1</sup>Letter of Credit/Bank Guarantee

## Analyst Contacts

### Mr. Utshav Bikram Malla

Tel No.+977-1-4583304/4585906  
[utshav.malla@infomericsnepal.com](mailto:utshav.malla@infomericsnepal.com)

### Ms. Neha Tamrakar

Tel No.+977-1-4583304/4585906  
[neha.tamrakar@infomericsnepal.com](mailto:neha.tamrakar@infomericsnepal.com)

## Relationship Contact

### Mr. Rabin Pudasaini

Tel No.+977-1-4583304/4585906  
[rabin.pudasaini@infomericsnepal.com](mailto:rabin.pudasaini@infomericsnepal.com)



# Infomerics Credit Rating Nepal Limited

## **About Infomerics Credit Rating Nepal Limited:**

Infomerics Credit Rating Nepal Ltd. is Nepal's third Credit Rating Agency licensed by the Securities Board of Nepal (SEBON) on March, 2022. Infomerics Nepal is a subsidiary of Infomerics Valuation and Rating Private Limited (Infomerics India) which is a SEBI registered and RBI accredited Credit Rating Agency licensed in 2015. Infomerics Nepal aims to provide investors with objective analysis and evaluation of credit worthiness of Banks, NBFCs, Large Corporates and Small and Medium Scale Units (SMUS) via its rating and grading services. Thus, it is playing a key role in serving the financial markets by reducing the information asymmetry among varied lenders and investors and facilitating borrowers/issuers to various fundraising opportunities/avenues. Infomerics observes and maintains ethical standards in its activities. For more information, visit <https://infomericsnepal.com/>

## **Infomerics Credit Rating Nepal Limited**

Tanka Prasad Marga, Baneshwor Height, Kathmandu  
Phone: +977-1-4583304/4585906  
Email: [info@infomericsnepal.com](mailto:info@infomericsnepal.com)  
Web: [www.infomericsnepal.com](http://www.infomericsnepal.com)

**Disclaimer:** Ratings assigned by Infomerics Nepal are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics Nepal reserves the right to change, suspend or withdraw the credit ratings at any point in time. Ratings assigned by Infomerics Nepal are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics Nepal is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.