

## PRESS RELEASE

### JAY MATA DI STORES

May 2026

#### Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	1.41	IRN BB-	Assigned
Short Term Bank Facilities	1,148.03	IRN A4	Assigned
<b>Total</b>	<b>1,149.44</b>		

*Details of facilities are in Annexure 1 below*

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has assigned the ratings of IRN BB- [Double B Minus] to long term bank facilities of NPR 1.41 Mn and IRN A4 [A Four] to short term bank facilities of NPR 1,148.03 Mn.

#### Detailed Rationale

The ratings assigned to the bank facilities of Jay Mata Di Stores (JMDS) factor in its established operational track record of more than two decades in the food and agro-based trading sector, supported by its diversified product portfolio and the extensive experience of the proprietor, Mrs. Sunita Agrawal, along with an experienced management team. The ratings also derive comfort from firm's flexible and opportunistic trading approach which supports revenue generation by enabling shifts across commodities based on market demand and pricing dynamics.

Nonetheless, the ratings remain constrained by the firm's volatile financial performance albeit recovery in FY25 and continued improvement in H1FY26, supported by opportunistic trading activities and improved operating margins. The capital structure remains leveraged reflected in an elevated overall gearing ratio of 4.00x as of mid-July 2025 and 3.95x as of mid-January 2026, along with modest debt protection metrics. The ratings further factor in the stretched liquidity profile marked by elongated working capital cycle and rising working capital intensity of ~45% in FY25 due to slower receivable recovery and high dependence on external borrowings for working capital requirements. Moreover, JMDS operates in a fragmented and highly competitive industry characterized by low entry barriers, exposing the firm to pricing pressure and margin volatility. Going forward, JMDS's ability to sustain the financial performance and improve the capital structure along with prudent management of working capital requirement remains key rating sensitivities.

#### Detailed Description of Key Rating Drivers

##### Key Rating Strengths

##### **Established track record of operation, albeit proprietorship nature of constitution**

JMDS benefits from a long operational track record of over two decades since its incorporation in August 2004, reflecting sustained presence in the food and agro based trading sector. Over the years, the firm has developed established procurement and distribution linkages and demonstrated gradual product diversification, supporting business continuity and operational stability. JMDS is promoted by Mrs. Sunita Agrawal, and all business and financial decisions are centrally handled by the proprietor. Additionally, JMDS is led by an experienced management team with long-standing exposure of 10-25 years in agro based manufacturing and trading activities, supporting stable business operations.

##### **Moderate financial performance**

JMDS's financial performance remained moderate with improvement in its TOI during FY24-FY25 albeit below the TOI achieved in the prior periods. TOI of JMDS remained volatile over the period, declining from NPR 1,965 Mn in FY22 to NPR 1,178 Mn in FY24, before recovering to NPR 1,603 Mn in FY25, reflecting demand moderation followed by partial recovery. The revenue profile remains

influenced by a market driven pricing structure, wherein realizations are subject to frequent fluctuations in a highly competitive trading environment, resulting in sales performance being largely volume driven rather than price led. The recovery in FY25 was supported by opportunistic trading activities, including commencement of sugar trading. EBITDA margin expanded from 2.84% in FY22 to 4.89% to FY25, supported by relatively better realizations in certain traded commodities during the period. However, PAT margin remained thin, improving from 0.42% (FY22) to 0.82% (FY25). Similarly, GCA declined from NPR 11 Mn in FY22 to NPR 4 Mn in FY24 and then improved to NPR 15 Mn in FY25, nevertheless, accruals remain modest relative to the company's debt levels. In H1FY26, the company reported TOI of NPR 575 Mn with the EBITDA margin of 6.17% and PAT margin of 1.44%. GCA recorded NPR 9 Mn, indicating continued improvement in profitability, albeit at a moderate scale.

## **Moderate product diversification**

JMDS maintains a moderately diversified product portfolio across various agro-based commodities, including staples such as rice, pulses, flour, and sugar, along with selected value added items. The firm does not rely on a fixed product mix and instead adopts an opportunistic trading approach, enabling it to shift across commodities based on market demand, supply conditions, and pricing dynamics. This flexibility supports revenue generation and helps the firm capitalize on emerging trading opportunities, although periodic concentration in certain products is observed.

## **Key Rating Weaknesses**

### **Leveraged capital structure**

JMDS's capital structure remains leveraged, with total debt declining from NPR 407 Mn in FY21 to NPR 247 Mn in FY23, before increasing to NPR 335 Mn in FY24 and further sharply to NPR 583 Mn in FY25, indicating higher reliance on external borrowings, largely for working capital needs. Thus, the overall gearing ratio, after moderating to 2.94x as of mid-July 2023, increased to 3.53x as of mid-July 2024 and remained elevated at 4.00x as of mid-July 2025, reflecting a stretched capital structure. Debt protection metrics weakened till FY24, with interest coverage declining from 2.46x in FY21 to 1.02x in FY24, before improving to 1.38x in FY25. Similarly, DSCR declined from 1.95x in FY21 to 1.09x in FY24 which improved to 1.26x in FY25, indicating moderate debt servicing ability with limited cushion. In H1FY26, total debt further increased to NPR 606 Mn, with overall gearing at 3.95x and interest coverage at 1.52x, indicating slight improvement in coverage indicators, although the capital structure continues to remain leveraged.

### **Stretched liquidity profile**

JMDS's working capital intensity has moderated over FY23-FY25, as reflected in rising working capital intensity from ~24% to ~45%. This is mainly due to a higher collection period increasing from 56 days in FY23 to 98 days in FY25, indicating slower receivable recovery. Inventory holding period has shown some fluctuation; improving in FY24 but increasing to 62 days in FY25 suggesting partial volatility in inventory management. Moreover, creditor days remain stable at 22-28 days, providing limited support. As a result, the operating cycle has lengthened from 113 days in FY23 to 131 days in FY25, showing moderate pressure on liquidity and cash conversion.

### **Competitive pressure created by low entry barriers and a fragmented industry**

The food product trading industry faces strong competition due to its low entry barriers and fragmented structure, with many large players operating in the market. The business operates on a low-margin, high-volume model, which means that new entrants or capacity expansions by existing companies can intensify competition and potentially put further pressure on profit margins for all participants in the industry.

### **Analytical Approach:** Standalone

## Applicable Criteria:

[Corporate Credit Rating Methodology](#)

## About the Company:

Jay Mata Di Stores (JMDS) is a proprietorship firm incorporated on August 13, 2004 registered under the Ministry of Industry, Commerce and Supplies and operates under the ownership of Mrs. Sunita Agrawal. The registered office of the firm is located in Gyaneshwor, Kathmandu. The firm is primarily engaged in import and trading activities, particularly focusing on food and agro-based commodities. The company deals in essential staples such as flour (maida and aata), rice varieties, pulses, sugar, oilseeds, and dry fruits, catering to wholesale markets. JMDS has total capital investment of NPR 110 Mn as of mid-January, 2026, fully contributed by the proprietor Mrs. Sunita Agrawal.

## Financial Indicators (Standalone)

For the year ended* As on	FY21	FY22	FY23	FY24	FY25	H1FY26
	Audited	Audited	Audited	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	1,870	1,965	1,306	1,178	1,603	575
EBITDA Margin (%)	3.35	2.84	3.87	3.91	4.89	6.17
Interest Coverage Ratio (x)	2.46	1.36	1.17	1.02	1.38	1.52
Current Ratio (x)	1.10	1.21	1.19	1.23	1.18	1.19
Total Debt/GCA (years)	16.81	27.29	48.42	82.00	39.14	67.47
Overall Gearing Ratio (x)	5.55	3.21	2.94	3.53	4.00	3.95
TOL/TNW (x)	9.19	4.63	5.15	4.21	5.52	5.23

\*Classification as per Infomerics Nepal standards

Earnings before Interest Tax Depreciation Amortization (EBITDA)

Total Outside Liabilities/Tangible Net Worth (TOL/TNW)

## Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Ratings
Fund Based Bank Facilities- Term Loan	Term Loan	1.41	IRN BB-
Fund Based Bank Facilities-Working Capital Loan	Short Term	348.90	IRN A4
Non-Fund Based Bank Facilities- LC/BG <sup>#</sup>	Short Term	799.13	IRN A4
<b>Total Facilities</b>		<b>1,149.44</b>	

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

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# Infomerics Credit Rating Nepal Limited

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