

PRESS RELEASE

JAGDAMBA MOBILES PRIVATE LIMITED

October 2026

Rating

Instruments/ Facilities	Amount (NPR Mn)	Rating	Rating Action
Short Term Bank Facilities	750.00 (Decreased from 900.00)	IRN A4	Reaffirmed
Total	750.00		

Details of Facilities are in Annexure 1 below

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has reaffirmed the rating of IRN A4 (A Four) assigned to short term bank facilities of NPR 750.00 Mn.

Detailed Rationale

The reaffirmation of rating assigned to the bank facilities of Jagdamba Mobiles Private Limited (JMOPL) factors in the deterioration in the financial performance of JMOPL in FY26, marked by a decline of ~8% to NPR 1,657 Mn in Total Operating Income (TOI) compared to FY25. The contraction in revenue is primarily attributed to the shift in import sourcing of smartphones and accessories from Realme Mobile Telecommunication (India) to Realme Mobile Telecommunication (China), exposing the company to increased logistical requirement increasing operating costs margins along with the subdued demand for the safari luggage. The rating also remain constrained by JMOPL's weakened capital structure, reflected in an overall gearing ratio of 2.84x as of mid-July 2026 (1.60x in FY25), driven by increase in working capital borrowings. The rating also factors in working capital intensive nature of business as evidenced by stretched working capital intensity of ~32% in FY26 (~15% in FY25). Along with that, With the shift in import sourcing to China, the company's exposure to foreign exchange fluctuations has increased, as a significant portion of purchases are now denominated in USD; hence, any adverse movement in exchange rates, particularly depreciation of the NPR against the U.S. dollar, could further impact its cost structure and profitability. Furthermore, the rating also take note of JMOPL's exposure to competitive smartphone industry coupled with technological risks and volatile interest rates.

However, the company reported an improvement in EBITDA margin to ~2% in FY26 from negative levels in FY25 primarily driven by lower selling and distribution expenses, following the recovery of brand related expenses from Realme Telecommunication (China). Consequently, JMOPL's PAT margin remained positive in FY26, with Gross Cash Accruals (GCA) also remained at ~NPR 13 Mn from negative in FY25. The rating also factors in improvement in coverage indicators with interest coverage ratio of 1.28x in FY26 (negative in FY25). Likewise, DSCR also improved to 1.40x as of mid-July 2026 (0.39x in FY25). Additionally, JMOPL diversified its product portfolio with the introduction of new brand 'ZTE' from mid-July 2026, which was previously sold by its sister concern. Further, The rating continued to derive comfort from JMOPL's association with renowned business house, the Shanker Group, which provides financial flexibility, demonstrated operational support, and managerial expertise. The promoter group's established presence in trading and distribution businesses, coupled with JMOPL's experienced management team and established market position in the smartphone distribution segment, are expected to support the company's business operations over the medium term. Going forward, the company's ability to improve its revenue profile and capital structure whilst improving its operating cycle will remain key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Parentage of Shanker Group with experienced management team

JMOPL is an integral part of the Shanker Group. The company benefits from its promoters who are active in different sectors in Nepal, like manufacturing, services, imports, and trading. Furthermore, the company is supported by a team of technically qualified and experienced professionals, leading to a better understanding of the market dynamics, enabling a sound relationship with the suppliers and customers.

Established dealership network, brand and market presence across the country

JMOPL is one of two authorized distributors of Realme smartphone for Nepal. Realme continues to maintain a notable presence in Nepal's smartphone market, with a market share of ~6% as of August 2026, indicating continued traction for the brand among Nepali consumers. The company is also authorized distributor of 'ZTE' smartphones since mid-July 2027. Furthermore, JMOPL has an adequate and established dealership network across the country, with 326 dealers in FY26 vis-à-vis 65 dealers in FY25.

Key Rating Weaknesses

Declining scale of operations

JMOPL witnessed a contraction in its scale of operations, with TOI declining by ~13% y-o-y in FY25 and a further ~8% y-o-y in FY26, primarily due to the shift in sourcing of smartphones and accessories from Realme Mobile Telecommunication (India) to Realme Mobile Telecommunication (China) and subdued demand for safari luggage. Despite the decline in revenue, operating profitability improved, with EBITDA margin turning positive at ~2% in FY26 from negative levels in FY25, supported by lower selling and distribution expenses following the recovery of certain brand-related expenses from Realme Telecommunications (China). Consequently, PAT margin improved to ~1% in FY26 from negative levels in FY25, supported by improved operating profitability and lower interest expenses. GCA also turned positive at ~NPR 13 Mn in FY26 from negative levels in FY25, indicating improvement in internal cash generation.

Moderately leveraged capital structure

JMOPL's capital structure remained moderately leveraged, with overall gearing increasing to ~2.84x as of mid-July 2026 from ~1.60x in FY25, primarily due to higher working capital borrowings. TOL/TNW also remained elevated at ~3.51x in FY26 (~1.87x in FY25), indicating continued reliance on external liabilities. Nevertheless, debt protection indicators improved, with interest coverage ratio improving to 1.28x in FY26 from negative levels in FY25, supported by the improvement in operating profitability. DSCR also improved to ~1.40x in FY26 from ~0.39x in FY25, although the coverage indicators remained moderate, reflecting limited cushion in debt servicing capacity.

Competitive smartphone industry coupled with technological risks

The product life cycle of smartphone is typically short due to rapid changes in technology and intense competition between mobile phone manufacturers. Hence, the ability of Realme to launch innovative products at a competitive rate and maintain market share globally would have a bearing on the JMOPL's short term financial outlook as presently the fortunes of JMOPL is linked with Realme.

Exposure to foreign exchange risk

With the shift in import sourcing from Realme Mobile Telecommunication (India) to Realme Mobile Telecommunication (China), JMOPL's exposure to foreign exchange risk has increased. As the company's purchases are now denominated in foreign currency, primarily USD, any adverse movement in exchange rates could impact its cost of goods and profitability. The company's margins remain susceptible to currency fluctuations, particularly in periods of sharp depreciation of the Nepalese rupee against the U.S. dollar.

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)

Link to Past Rating Rationale:

[Jagdamba Mobiles Private Limited: Bank Loan Rating Reaffirmed and Removed from Watch with Negative Implications](#)

[Jagdamba Mobiles Private Limited: Bank Loan Rating Revised](#)

About the Company:

Jagdamba Mobiles Private Limited (JMOPL) is a private limited company incorporated on July 07, 2011 and is an integral part of Shanker Group. JMOPL operates as a non-exclusive authorized distributor of Realme smartphones and accessories from Realme Mobile Telecommunications (China) Pvt. Ltd. JMOPL also operates as a non-exclusive authorized distributor of 'ZTE' smartphones, sourced from ZTE corporation (China), since mid-July 2026. JMOPL has diversified its business portfolio by adding premium brands such as Safari Luggage and Boulton Audio devices. Mr. Sulav Agrawal is the sole shareholder of the company holding as of mid-July 2026.

Financial Indicators (Standalone)

For the year ended* As on	FY22	FY23	FY24	FY25	FY26
	Audited	Audited	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	3,247	2,762	2,064	1,795	1,657
EBITDA Margin (%)	2.74	5.04	4.20	Negative	1.80
Interest Coverage Ratio (x)	2.51	1.76	1.50	Negative	1.28
Current Ratio (x)	1.09	1.34	1.27	1.48	1.25
Overall Gearing Ratio (x)	9.60	2.51	3.35	1.60	2.84

Earnings before Interest Tax Depreciation Amortization (EBITDA)

Debt Service Coverage Ratio (DSCR)

**Classification as per Infomerics Nepal standards*

Annexure 1: Details of Facilities:

S. N.	Facilities	Type of Facilities	Amount (NPR Mn)	Rating
1.	Short Term Bank Facilities-Fund Based Loans	Short Term	20.00	IRN A4 (A Four)
2.	Short Term Bank Facilities-Non Fund Based Loans	Short Term	730.00	IRN A4 (A Four)
Total Bank Facilities			750.00	

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About Infomerics Credit Rating Nepal Limited:

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