

Jimcap Electronics Private Limited

March 25, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|--|-------------------------------|--------------------------------|--|
| Long Term Bank Facilities | 21.22 (Reduced from 22.31) | CARE BB+; Stable | Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE BB-; Stable |
| Long Term / Short Term Bank Facilities | 19.39 | CARE BB+; Stable / CARE A4+ | Assigned |
| Short Term Bank Facilities | 14.90 (Enhanced from 8.20) | CARE A4+ | Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE A4 |

Details of instruments/facilities in Annexure-1.

In the absence of requisite information and surveillance fees, in line with the extant SEBI guidelines, CARE Ratings Ltd (CARE Ratings) had placed the ratings of bank facilities of Jimcap Electronics Private Limited (JEPL) into 'ISSUER NOT COOPERATING'. However, the entity has now submitted the requisite information and paid the annual surveillance fees. CARE Ratings has carried out a full review of the ratings and the ratings stand at 'CARE BB+; Stable/ CARE A4+'.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Jimcap Electronics Private Limited (JEPL) remain constrained on account of moderate scale of operations, moderate profitability and working capital intensive nature of operations. The ratings are further constrained due to competitive nature of operations and raw material price fluctuations.

However, the ratings continue to derive strengths from experienced promoters, association with reputed clientele and comfortable capital structure and moderate debt coverage indicators.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations with Total Operating Income (TOI) above Rs.125 crore with PBILDT margin above 12% on sustained basis.
- Improvement in operating cycle marked by collection period below 90 days on sustained basis.

Negative factors

- Deterioration in overall gearing above 1.20x on sustained basis.
- Deterioration in operating cycle above 150 days on sustained basis.

Analytical approach: Standalone

Outlook: Stable

'Stable' outlook on the rating reflects CARE Ratings' expectation that JEPL will continue to benefit from its experienced promoters, extensive track record and reputed clientele.

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operations

Despite being in industry for over two decades, JEPL's scale of operations remained moderate. TOI increased at a modest compounded annual growth rate (CAGR) of 5.67% over five years ending FY24 (refers to period April 1 to March 31). During FY24 TOI of the company remained stagnant at Rs.94.13 crore (Rs.94.13 crore in FY23). JEPL has achieved TOI of Rs.82.39 crore during 10MFY25 (refers to period April 1 to January 31).

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Moderate profitability

JEPL's profitability has witnessed a declining trend over past five years with PBILDT margin of 9.87% in FY24 against 16.18% in FY20 and 11.96% in FY23, impacted mainly by higher material prices and fuel cost. PAT margin was seen at 3.51% in FY24 (3.68% in FY23). JEPL is expected to maintain the profitability in the medium term.

Working capital intensive nature of operations

JEPL's operations remained working capital intensive with an operating cycle of 102 days in FY24 compared to 110 days in FY23, mainly due to longer collection period and high inventory holding period. Going forward, improvement in the operating cycle would remain monitorable.

Competitive nature of industry

JEPL operates in a highly competitive industry, where numerous players from the unorganized sector are active. The electronics industry is characterized by low entry barriers, as it requires minimal technological inputs, and standardized machinery is easily accessible for production. This results in intense competition among players and weak bargaining power with suppliers, ultimately putting pressure on margins.

Raw material price fluctuation risk

The primary raw materials used by JEPL are propylene film, castor oil, zinc wire, polypropylene granules which is procured from both domestic and international markets. JEPL's operating margins are highly sensitive to fluctuations in raw material prices, which contribute around 50% of its revenue. Any sudden change in raw material cost could significantly impact the company's profitability, exposing it to price volatility in the market.

Key Strengths

Comfortable capital structure and moderate debt coverage indicators

JEPL's capital structure remained comfortable marked by overall gearing of 0.66x as on March 31, 2024, with the net worth base of Rs.33.56 crore, compared to 0.86x in the previous year.

Debt coverage indicators seem moderate marked by Total debt to Gross Cash Accruals (TDGCA) of 2.95x in FY24 compared to 3.45x in FY23. Interest coverage indicator remained at 5.85x for FY24, compared to 4.44x for FY23.

Experienced promoters

Based in Goa, JEPL has over two decades of operational experience and has developed strong relationships with both its suppliers and customers. The company is led by Joy Mekkattel and his family, who bring over 40 years of experience in the industry and manage the overall operations. The second generation of the Mekkattel family, Mr. Jimmy, an engineer, oversees the company's operations, while Ms. Jessy, a chartered accountant, handles finance and accounting.

Association with reputed clientele, however, exposed to customer concentration risk

JEPL manufactures capacitors and polypropylene films, used in a variety of applications such as fans, motors, low-tension power factor correction, and lighting appliances. The company sells its products directly to prominent players in the industry. However, there is some risk associated with customer concentration, with 60-70% of revenue being derived from its top five customers., which is mitigated by long-established relationships with these clients.

Liquidity: Adequate

The company maintains adequate liquidity marked by expected gross cash accruals of Rs.7-8 crores in FY25 against an annual principal repayment of Rs.3.03 crore in FY25. Net cash flow from operations remained at Rs.10.27 crores for FY24 (Rs.11.76 crore as on March 31, 2024). Average fund-based utilisation for 12 months ending February 25, stood around 70%. Liquidity indicators remained moderate marked by current and quick ratio of 1.62x (PY: 1.37x) and 1.26x (PY: 1.09x) as on March 31, 2024. Cash and bank balance with the company was Rs.2.63 crores as on March 31, 2024.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|-------------------------|---------------|----------------------|----------------------------|
| Industrials | Capital Goods | Electrical Equipment | Other Electrical Equipment |

Incorporated in August 1999, Goa based Jimcap Electronics Private Limited (JEPL) is spearheaded by Mr. M.J. Joy and family. The company is engaged in the business of manufacturing of metalized polypropylene film (MPP) and electrical capacitors which includes Microfarad (MFD) & Low tension (LT) capacitors. The product range comprises of fan capacitors, motor capacitors, capacitors for lighting fixture, electrolytic capacitors and LT power factor capacitors, which finds application in the electrical appliance industries.

| Brief Financials (₹ crore) | March 31, 2023 (A) | March 31, 2024 (A) | 10MFY25 (UA) |
|----------------------------|--------------------|--------------------|--------------|
| Total operating income | 94.13 | 94.13 | 82.39 |
| PBILDT | 11.26 | 9.29 | 8.59 |
| PAT | 3.46 | 3.31 | 2.60 |
| Overall gearing (times) | 0.86 | 0.66 | 0.80 |
| Interest coverage (times) | 4.44 | 5.85 | 6.01 |

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|--------------------------------------|------|-------------------------------|-----------------|----------------------------|-----------------------------|------------------------------------|
| Fund-based - LT-Cash Credit | | - | - | - | 16.29 | CARE BB+; Stable |
| Fund-based - LT-Term Loan | | - | - | June, 2027 | 1.45 | CARE BB+; Stable |
| Fund-based - LT-Term Loan | | - | - | February, 2029 | 3.48 | CARE BB+; Stable |
| Fund-based/Non-fund-based-LT/ST | | - | - | - | 19.39 | CARE BB+; Stable / CARE A4+ |
| Non-fund-based - ST-Bank Guarantee | | - | - | - | 0.50 | CARE A4+ |
| Non-fund-based - ST-Letter of credit | | - | - | - | 14.40 | CARE A4+ |

Annexure-2: Rating history for last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---------|--|-----------------|------------------------------|-----------------------------|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 |
| 1 | Fund-based - LT-Term Loan | LT | 1.45 | CARE BB+; Stable | - | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (02-Jan-24) | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (12-Oct-22) | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (11-Aug-21) |
| 2 | Fund-based - LT-Cash Credit | LT | 16.29 | CARE BB+; Stable | - | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (02-Jan-24) | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (12-Oct-22) | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (11-Aug-21) |
| 3 | Non-fund-based - ST-Letter of credit | ST | 14.40 | CARE A4+ | - | 1)CARE A4; ISSUER NOT COOPERATING * (02-Jan-24) | 1)CARE A4; ISSUER NOT COOPERATING * (12-Oct-22) | 1)CARE A4; ISSUER NOT COOPERATING * (11-Aug-21) |
| 4 | Non-fund-based - ST-Bank Guarantee | ST | 0.50 | CARE A4+ | - | 1)CARE A4; ISSUER NOT COOPERATING * (02-Jan-24) | 1)CARE A4; ISSUER NOT COOPERATING * (12-Oct-22) | 1)CARE A4; ISSUER NOT COOPERATING * (11-Aug-21) |
| 5 | Fund-based - LT-Term Loan | LT | 3.48 | CARE BB+; Stable | - | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (02-Jan-24) | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (12-Oct-22) | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (11-Aug-21) |
| 6 | Fund-based/Non-fund-based-LT/ST | LT/ST | 19.39 | CARE BB+; Stable / CARE A4+ | | | | |

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

| Sr. No. | Name of the Instrument | Complexity Level |
|---------|--------------------------------------|------------------|
| 1 | Fund-based - LT-Cash Credit | Simple |
| 2 | Fund-based - LT-Term Loan | Simple |
| 3 | Fund-based/Non-fund-based-LT/ST | Simple |
| 4 | Non-fund-based - ST-Bank Guarantee | Simple |
| 5 | Non-fund-based - ST-Letter of credit | Simple |

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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