

Jayanita Exports Private Limited

March 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	5.87 (Reduced from 9.34)	CARE BBB-; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	39.00	CARE BBB-; Stable / CARE A3	Reaffirmed
Short Term Bank Facilities	7.20 (Enhanced from 1.80)	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities of Jayanita Exports Private Limited (JEPL) factors in stable operational performance marked by sustain scale of operations and profitability margins in FY24 (refers to the period from April 01, 2023 to March 31, 2024) and 10MFY25 (refers to the period from April 01, 2024 to January 31, 2025) and moderate financial risk profile. The ratings continue to derive comfort from experienced promoters, long track of the company's operations, and its association with reputable albeit concentrated clientele. However, ratings continue to remain constrained by modest scale of operations susceptibility of margins to volatility in the price of raw material, foreign exchange (forex) fluctuation risk and highly fragmented and competitive nature of industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in scale of operations, as marked by total operating income (TOI) above Rs.200 crore.
- Improvement in profitability margins, as marked by profit before interest, lease rental, depreciation, and taxation (PBILDT) margin above 8% on a sustained basis.

Negative factors

- Decline in TOI by over 20% from existing level and/or PBILDT margin falling below 5% on a sustained basis.
- Deterioration in capital structure, as marked by adjusted overall gearing above 1.25x on sustained basis.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CARE Ratings') opinion that JEPL shall continue to benefit from experienced promoters, sustained operational performance and moderate financial risk profile.

Detailed description of the key rating drivers

Key strengths

Stable operational performance

In FY24, the company reported modest growth of 6% year-on-year in scale of operations, as marked by TOI of Rs.186 crore (PY: Rs.175 crore), largely underpinned by higher intake from existing customers such as IKEA, among others, and addition of new customers. Further, the company achieved a TOI of ~Rs.140 crore in 10MFY25. Nevertheless, the scale remains modest, it limits the financial flexibility of the company in times of stress and deprives it of scale benefits. On the profitability front, the company reported stable PBILDT margin of 7.42% in FY24 (PY: 6.99%). The PAT margin improved in line with slight improvement in PBILDT margin and stood at 1.82% in FY24 (PY: 1.17%). Going forward, the PBILDT margin is expected to remain in the range of 7.50%-8.00% over near-to-medium term.

Moderate financial risk profile

JEPL's capital structure continues to remain moderate, considering adjusted overall gearing of 1.15x as on March 31, 2024 (PY: 1.17x). Further, due to improved PBILDT margin, translating into higher gross cash accruals (GCA), debt coverage indicators of the company improved slightly, marked by total debt to gross cash accruals (TDGCA) and interest coverage of 5.47x (PY: 6.44x) and 4.11x (PY: 3.86x) respectively in FY24.

Experienced promoters with long track record of operations

Incorporated in 1987, JEPL has a long track record of around four decades in manufacturing home décor items. The company is managed by three brothers, Mr. Suneer Jain, Mr. Raveen Jain, and Mr. Sumeet Jain. They are graduates and manage day-to-day operations of the company. They are associated with this company since its inception. They have a rich industry experience of more than three decades through their association with JEPL and other group entities. Further, they are supported by family

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

members namely Mr. Vaibhav Jain and Mr. Ansh Jain, who have experience of around a decade through their association with this company.

Association with reputable albeit concentrated clientele

JEPL is operational for around four decades, enabling it to establish a healthy relationships with suppliers and customers. In the past, it has executed orders for renowned organizations in the home décor industry. However, its clientele is concentrated to some extent as reflected by top five customers contributing ~60% to FY24's topline (PY: ~56%); exposing revenue growth and profitability to its customer's future growth plans. Nonetheless, JEPL has longstanding relationships of ~5-6 years with some of renowned customers, which is evident from company's product acceptance in the market. Further, in light of the satisfactory work, JEPL has managed to get repeat orders from customers. Over these years, the company has established healthy business relationship with reputed companies such as Wal-Mart Inc., Home Centre (UAE), Nantucket (USA), IKEA, among others. The association with reputed clients along with repeat orders enhances Company's image in the market regarding product quality and minimize customer concentration risk to a certain degree.

Moderate operating cycle

JEPL's operating cycle remain moderate and stood at 82 days in FY24 (PY: 70 days). Since, JEPL deals in wide range of window hardware and accessories, it is imperative to hold adequate inventory levels at all the times to meet the production schedule, resulting in average inventory holding period of 74 days in FY24 (PY: 66 days). Further, JEPL offers credit period of 2-3 months to its customers resulting in an average collection period of 56 days in FY24 (PY: 54 days). The company procures raw material requirement from domestic suppliers, which provides credit period of around 2 months, resulting in an average creditor's period of 48 days in FY24 (PY: 50 days). Moreover, the utilization of sanctioned working capital limits stood at ~85% on an average basis for trailing 12 months ended February 28, 2025.

Key weaknesses

Highly fragmented and competitive industry

The company operates in a highly fragmented and competitive industry since there are large number of players at organised and unorganised level catering to same market owing to low entry barriers. The presence of large number of players limits the bargaining power of the company and has a cascading effect on profitability margins. Further, JEPL is exposed to competitive pressures from established global players situated in countries such as China. Moreover, it exports majority products and hence, risk arises from fact that any change in market globally affecting the taste, preference or international trade is likely to affect the growth of the company.

Susceptibility of margins to raw material price volatility

The company procures raw materials from domestic players on requirement basis. The prices of raw materials, primarily steel, and finished goods are volatile in nature. Since the raw material is the major cost driver, any moderation in the finished goods price with no moderation in prices of raw material may result in adverse company's performance. Since Company does not have any backward integration for its key raw materials and procures the same from outside, it is exposed to risk of price volatility. However, to exercise bargain power and avoid supplier concentration risk, Company sources raw material requirement through numerous vendors.

Forex fluctuation risk

JEPL exports ~90% of its products to the countries such as Europe, the USA, UK, and the UAE. With initial cash outlay for the procurement in domestic currency and significant chunk of sales realization in foreign currency, the company is exposed to the risk of fluctuation in exchange rates. However, JEPL hedges ~60% of export receivables exposure through forward contracts. Nevertheless, for uncovered portion, the company's profitability margins remain exposed to the volatility in forex. Moreover, any change in government policies, either domestic or international is likely to affect the company's revenues. The earnings are also susceptible to strict regulatory policies relating to tariff barriers (custom duty), non- tariffs barriers (restriction on the quality of imports), anti-dumping duties, international freight rates and port charges. In FY24, the company reported foreign exchange gain of Rs.1.17 crore as against forex loss of Rs. 2.46 crore in FY23.

Liquidity: Adequate

JEPL's liquidity position continues to remain adequate, as reflected by sufficient cushion in cash accruals vis-à-vis repayment obligations. The repayment for FY25 stood at ~Rs.4 crore against gross cash accruals expected of ~Rs.8 crore in same year. However, the utilisation of working capital limits stood moderately high at ~85% on an average basis for the trailing 12 months ended February 28, 2025. Further, the company had free cash and liquid investment of ~Rs.1.25 crore as on March 31, 2024. Moreover, there is no major capex planned over near-to-medium term apart from maintenance capex.

Applicable criteria

[Definition of Default](#)

[Financial Ratios – Non financial Sector](#)

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

[Rating Outlook and Rating Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

About the company and industry

Industry classification

Macro-Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Furniture, Home Furnishing

Incorporated in year 1987, JEPL is predominantly an export-oriented unit based in Delhi. It is engaged in manufacturing home décor items and window hardware such as curtains and drapers, curtain rods, tracks or traverse rods, blinds, brackets, etc. and other accessories like tiebacks, holdbacks, rings, garden torches, door seal, bath accessories, etc. Its manufacturing facilities is located at Greater Noida, Uttar Pradesh.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	10MFY25 (UA) *
Total operating income	175.41	186.11	140.35
PBILDT	12.26	13.81	10.49
PAT	2.05	3.39	2.83
Overall gearing (times)	0.87	0.88	NA
Interest coverage (times)	3.86	4.11	4.02

A: Audited, UA: Unaudited, NA: Not available; Note: these are latest available financial results

*refers to the period from April 01, 2024, to January 31, 2025.

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-Term Loan		-	-	28/02/2028	2.28	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	30/06/2027	3.59	CARE BBB-; Stable
Fund-based/Non-fund-based-LT/ST		-	-	-	39.00	CARE BBB-; Stable / CARE A3
Non-fund-based - ST-Forward Contract		-	-	-	7.20	CARE A3

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	2.28	CARE BBB-; Stable	-	1)CARE BBB-; Stable (11-Mar-24)	1)CARE BBB-; Stable (08-Mar-23)	1)CARE BBB-; Stable (23-Mar-22)
2	Fund-based/Non-fund-based-LT/ST	LT/ST	39.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (11-Mar-24)	1)CARE A3 (08-Mar-23)	1)CARE A3 (23-Mar-22)
3	Non-fund-based - ST-Forward Contract	ST	7.20	CARE A3	-	1)CARE A3 (11-Mar-24)	1)CARE A3 (08-Mar-23)	1)CARE A3 (23-Mar-22)
4	Fund-based - LT-Term Loan	LT	3.59	CARE BBB-; Stable	-	1)CARE BBB-; Stable (11-Mar-24)	1)CARE BBB-; Stable (08-Mar-23)	1)CARE BBB-; Stable (23-Mar-22)

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-Term Loan	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	Non-fund-based - ST-Forward Contract	Simple

Annexure-5: Lender detailsTo 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.

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About us:

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