

JKC General Trading Co.

July 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	37.77	CARE BB; Stable	Reaffirmed
Short Term Bank Facilities	15.00	CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of JKC General Trading Co. (JKCGT) continue to be constrained by its moderate scale of operations, moderate capital structure and debt coverage indicators and working capital intensive nature of operations. The ratings, however, continue to derive strength from the long track record of operations in dates trading business, steady profitability and well-established relationships with its customers.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale to Rs.170 crore and PBILDT margin at 10% on sustained basis.
- Improvement in overall gearing at 1x and TOL/TNW to 1.2 times on sustained basis.

Negative factors

- Decline in scale of operations to 100 crore and PBILDT margin at 8% on sustained basis.
- Any further debt funded capex leading to deterioration in overall gearing to above 2x.

Analytical approach: Standalone

Outlook: Stable

'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that JKCGT will continue to benefit from its extensive experience of promoters and well-established relationship with customers and suppliers.

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operations

JKCGT is involved in the trading of dates in India, which are mainly imported from Middle Eastern countries. The firm's scale of operations remained moderate and volatile, fluctuating between Rs.120 crore and Rs.150 crore over last 6 years. The observed volatility is largely due to disruptions due to Red Sea crisis and transportation challenges from the Middle East and Gulf countries. In FY25 (FY refers to period from April 1 to March 31), the firm reported a Total Operating Income (TOI) of Rs.139.40 crore, up from Rs. 129.24 crore in FY24.

Working capital intensive nature of operations

The operations continued to remain working capital intensive, although there was an improvement compared to FY24. The working capital cycle improved to 89 days in FY25 from 103 days in FY24, due to lower inventory levels and timely collections from debtors. Additionally, gross current asset days improved to 102 days in FY25 from 130 days in FY24, indicating efficient inventory management and prompt payments by customers.

Moderate capital structure and debt coverage indicators

Financial risk profile of the firm stood moderate marked by total debt of Rs.49.12 crore against the tangible networth of Rs.45.13 crore (subordinated debt worth Rs.9.56 crore is treated as quasi equity), leading to moderate gearing of 1.09x as on March 31, 2025 (1.16x as on March 31, 2024). In FY25, the firm undertook an additional term loan of Rs.10 crore to fund the upgrade of cold storage plant and to support working capital requirements. Debt coverage indicators remained moderate marked by total debt to PBILDT and interest coverage of 3.60x and 2.90x respectively in FY25 (4.04x and 2.30x respectively in FY24).

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

Key Strengths

Extensive experience of the partners and long track record of operations

The firm was established in 1954 and has been in the dates trading business for about 7 decades which has enabled healthy relationships with their customers and suppliers. The partners have experience of over two decades in the dates trading business and they have supported the business by infusing unsecured loans whenever required.

Steady profitability

Dates typically have a shelf life of 4-5 months, which can be extended to 1.5-2 years when stored in a cold storage facility which was rented earlier. Firm's in-house cold storage is fully operational since March 2022 onwards and is utilised in storage and warehousing dates to effectively maintain the inventory levels. JKCGT is able to save on the rental expense post commissioning of the cold storage facility, leading to higher profitability since FY22.

Profitability improved marginally with PBILDT margin of 9.71% in FY24 against 9.78% in FY25, supported by better sales realizations of red dates. PAT margin also improved, reaching 2.81% in FY25 compared to 1.16% in FY24, primarily due to lower finance costs following the repayment of term loans.

Diverse customer base and long-term relationships with customers

The firm has Pan-India presence with established relationships with wholesalers and retailers across India. They sell their dates through retailers or through agents. The firm has a diverse customer base with top 10 customers contributing ~33% of the total sales of FY25 (~31% in FY24).

Liquidity: Stretched

The liquidity position of JKCGT remained stretched marked by expected gross cash accruals of ~Rs.8-8.50 crore against the annual principal repayment of ~Rs.6-6.50 crore in FY26. The average fund-based utilisation of working capital limits for last 12 months ending June 30, 2025, stood high at 96%. Cash flow from operations remained positive for past four years, (Rs.9.77 crore in FY25), reflecting effective inventory management and timely payment by debtors. Firm had cash and liquid investments of Rs.1.93 crore as on March 31, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

Established in 1954, JKC General Trading Company is one of the biggest importers of Wet Dates in India. The firm is a family owned (Ashar family) and professionally run business. Over the past 70 years, the firm has had relationships with suppliers across the Middle East and Northern Africa that guarantees reliably good quality dates which they pack and sell. In the year 2020, the JKCGT expanded its footprint into the warehousing industry with the construction of Cold Storage in the vicinity of business centric industrial estate of Navi Mumbai.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	129.24	139.40
PBILDT	12.56	13.63
PAT	1.50	3.92
Overall gearing (times)	1.16	1.09
Interest coverage (times)	2.30	2.90

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		-	-	-	25.57	CARE BB; Stable
Fund-based - LT-Term Loan		-	-	31-12-2029	12.20	CARE BB; Stable
Fund-based/Non-fund-based-Short Term		-	-	-	15.00	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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	12.20	CARE BB; Stable	-	1)CARE BB; Stable (29-Jul-24)	1)CARE BB; Stable (18-Aug-23)	-
2	Fund-based - LT-Cash Credit	LT	25.57	CARE BB; Stable	-	1)CARE BB; Stable (29-Jul-24)	1)CARE BB; Stable (18-Aug-23)	-
3	Fund-based/Non-fund-based-Short Term	ST	15.00	CARE A4	-	1)CARE A4 (29-Jul-24)	1)CARE A4 (18-Aug-23)	-

LT: Long term; ST: 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-Short Term	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Akhil Goyal Director CARE Ratings Limited Phone: +91-22-6754 3590 E-mail: akhil.goyal@careedge.in
Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in	Ashish Kashalkar Associate Director CARE Ratings Limited Phone: +91-20-4000 9009 E-mail: Ashish.Kashalkar@careedge.in
	Yash Bhide Rating Analyst CARE Ratings Limited E-mail: Yash.bhide@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**