

Yo Digital Private Limited

September 18, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	35.00	CARE B; Stable	Upgraded from CARE D; Stable outlook assigned
Short Term Bank Facilities	10.00	CARE A4	Upgraded from CARE D

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the rating assigned to the bank facilities of Yo digital Private Limited (YDPL) is on account of timely servicing of its debt obligations for more than 90 days as reflected from its bank statements and confirmed by the lender.

The rating remains constrained by YDPL's thin profitability, weak financial risk profile and its presence in a highly fragmented and competitive industry.

The ratings, however, derive strength from experience of YDPL's promoters in the electronics trading business, it's growing scale of operations and comfortable operating cycle.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in profitability margin as marked by PBILDT margin above 1.00% on sustained basis.
- Improvement in liquidity position of the company as marked by overall gearing below 4x.

Negative factors

- Deterioration in liquidity position of the company.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects that YDPL will continue to benefit from the promoter's experience along with its established presence in consumer electronics industry.

Detailed description of key rating drivers:

Key weaknesses

Low profitability and weak financial risk profile

YDPL has consistently reported low profitability due to its trading-based business model, limited pricing flexibility, and intense industry competition. Over FY21–FY25, its PBILDT and PAT margins remained subdued, ranging from 0.84% to 1.66% and 0.19% to 0.41%, respectively. The company's capital structure is highly leveraged, with overall gearing rising to 5.22x in FY25, driven by increased reliance on working capital and a modest net worth base. Consequently, debt coverage indicators weakened, with interest coverage at 1.36x and total debt to GCA at 41.61x in FY25.

Highly fragmented and competitive industry

YDPL operates in a highly fragmented and intensely competitive mobile distribution industry, dominated by numerous small, unorganised players. The rise of e-commerce in India is reshaping the industry landscape, driving technological adoption and altering consumer behaviour. With low entry barriers, limited pricing power, and the widespread presence of unorganised competitors, the industry presents significant challenges for distributors striving to maintain market share and profitability.

Key strengths

Growing scale of operations

YDPL's total operating income (TOI) grew at a CAGR of 43.45% over the five years ending FY25, largely driven by consistent year-on-year growth in revenue from Apple products, which have contributed 92–94% of the company's total sales during this period. In FY25, TOI grew by 23% y-o-y to Rs.880.35 crore (FY24: Rs. 714.91 crore), supported by growth in Apple product revenues. In 5MFY26 (provisional), YDPL reported TOI of Rs.203.86 crore.

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

Experienced promoters

Mumbai based YDPL is promoted by Mr. Yogendra Kumar Varshney, Mr. Sushilkumar Varshney and Mr. Subhash Gupta who have an experience of more than 14 years in consumer electronics trading business. YDPL has established relationships with authorized apple product distributors such as Redington Limited and Ingram Micro India Private Limited, as well as with suppliers of other brands. Over time, the promoters have also developed a distribution network with local retail outlets across the Mumbai region.

Comfortable operating cycle

The operating cycle stood low at 16 days for FY25 (PY: 13 days). YDPL is required to maintain adequate inventory of traded goods to cater the immediate demand of the customers, resulting in an average inventory holding period of around 32 days during FY25 & FY24. Further, being in highly competitive nature of industry, YDPL typically offers a credit period of 15–20 days to its customers, while receiving an average credit period of around 25-35 days from its suppliers.

Liquidity: Stretched

Liquidity position of the company remained stretched with few instances of delays in EMI servicing in last 12 months ending August 2025, with last delay of three days in June 2025. The utilisation of cash credit limit remained high around 88% during past 12 month's period ending August 2025.

Further, cashflow from operations stood at -ve Rs. 17.63 crore in FY25 (PY: -ve Rs. 3.43 crore). The company has reported gross cash accruals (GCA) of Rs.1.70 crore in FY25 against scheduled repayment obligation of around Rs.1.25-1.40 crore in the near term.

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

Applicable criteria

[Definition of Default](#)

[Policy On Curing Period](#)

[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
Consumer Discretionary	Consumer Durables	Consumer Durables	Furniture, Home Furnishing

Incorporated in 2011, Mumbai-based, Yo Digitals Private Limited (YDPL) is engaged in distribution of consumer electronics. The company is the distributor of Apple's full product range including iPhones, iPads, MacBooks, Apple Watches, accessories, etc. YDPL also deals in other products of major brands like Sony, Canon, and Panasonic.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	5M FY26 (UA)
Total operating income	714.91	880.35	203.86
PBILDT	6.00	8.14	NA
PAT	1.79	1.70	NA
Overall gearing (times)	2.87	5.22	NA
Interest coverage (times)	1.78	1.36	NA

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

Status of non-cooperation with previous CRA: None

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	35.00	CARE B; Stable
Fund-based - ST-Working Capital Limits		-	-	-	10.00	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-Cash Credit	LT	35.00	CARE B; Stable	1)CARE D (19-Aug-25)	-	-	-
2	Fund-based - ST-Working Capital Limits	ST	10.00	CARE A4	1)CARE D (19-Aug-25)	-	-	-

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 - ST-Working Capital Limits	Simple

Annexure-5: Lender details

To view 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.

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