Future Mobile LLP

October 15, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	65.83 (Reduced from 79.97)	CARE BB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of Future Mobile LLP (FMLLP) continues to remain constrained by its weak financial risk profile as marked by leveraged capital structure and weak debt coverage indicators and thin profitability margins. The rating also continues to remain constrained by high customer concentration risk, constitution of the entity being a partnership firm, and its presence in a highly fragmented and competitive industry. However, the rating continues to draw comfort from experienced partners and long track record of operations, satisfactory scale of operations (although declined in FY25), regular addition in the distributorship of new brands, and comfortable working capital cycle.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations as marked by total operating income (TOI) of above ₹910.00 crore.
- Improvement in profitability margins as marked by Profit Before Interest, Lease Rental, Depreciation and Taxation (PBILDT) above 2.50% on a sustained basis.

Negative factors

- Any significant deterioration in the capital structure of the firm as marked by overall gearing ratio of above 3.00x.
- Deterioration in profitability margins as marked by PBILDT margin below 1.00% on a sustained basis.
- Elongation in the operating cycle of the firm beyond 40 days.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that FMLLP is likely to sustain its operational performance in near-to mid-term, considering its established presence in consumer electronics industry and promoter's extensive experience.

Detailed description of key rating drivers:

Key weaknesses

Weak financial risk profile

The firm's capital structure continues to remain leveraged as marked by overall gearing of 2.29x as on March 31, 2025 (PY: 3.01x) owing to low net worth base of ₹27.52 crore as on March 31, 2025, against high reliance on external borrowings to fund its working capital requirements.

Additionally, its debt coverage indicators remain weak owing to thin profitability from its trading nature of business. This is reflected in interest coverage ratio and total debt to gross cash accruals (GCA) at 1.54x and 22.85x respectively, in FY25 (refers to period April 01, 2024 to March 31, 2025) compared to 2.38x 13.30x, respectively, in FY24.

Thin profitability margins

Owing to firm's trading nature of business, absence of any value addition coupled with restricted pricing power due to its presence in the highly fragmented and competitive industry, it continues to operate on a thin profitability margin as marked by PBILDT margin of 1.17% (PY: 0.99%) and Profit after Tax (PAT) margin of 0.24% (PY: 0.31%).

Exposed to high customer concentration

FMLLP sells its products to various customers through online and offline channels. However, majority sales are driven by few customers with top five customers' accounting for ~70% share of TOI in FY25 (PY: ~87%). The top two customers, Flipkart India Private Limited and Flipkart Market Place, constituted ~59% share of TOI in FY25 (PY: ~53%). This concentration exposes the firm to customer concentration risk, where change in the procurement policy of these top customers could adversely impact

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

operational and financial performance. Additionally, the FMLLP's revenue growth and profitability are tied to the future growth plans of its key customers.
However, FMLLP's business risk profile continues to be supported by healthy association developed with its customers over the years and regular addition in the distributorship of new brands; thus, the customer concentration risk has been mitigated to an extent.

Exposed to inherent risk associated with partnership firm
As a partnership firm, FMLLP is subject to certain inherent risks, such as risk of dissolution in cases of partner's retirement, insolvency, etc. and the possibility of capital withdrawals. Same is also evident from capital withdrawal of ₹0.58 crore in FY25. Moreover, partnership firms have restricted access to external borrowing as credit worthiness of promoters would be the key factors affecting credit decision for the lender.

Highly fragmented and competitive industry
FMLLP operates in a highly fragmented and intensely competitive industry, where a significant share of the market is held by numerous small, unorganised players, alongside ongoing expansion by a few large regional entities. The new age of e-commerce in India is defining the new trend for wholesale trading and is transforming the way of business operation with technology adoption and change in consumer behaviour. FMLLP has also grabbed these opportunities and has associated itself with well-known e-commerce companies to cater to the changing business needs. However, the trading business segment is highly competitive with most of the players supplying mobiles and electronic products of various other established brands in the same category through E-commerce platform only. Further, it also faces competition from local exclusive players and multi-brand outlets operating through offline channels. Low entry barriers, presence of innumerable unorganised players in the industry and low pricing power available to the distributors makes the industry highly lucrative and competitive.

Key strengths

Experienced partners and long track record of operations
FMLLP is a family-owned enterprise, currently led by Kushagra Agarwal and his wife, Neha Agarwal. Kushagra, a Bachelor of Engineering graduate, brings over two decades of experience in the consumer electronics trading industry and oversees the firm's overall operations. He is ably supported by Neha Agarwal, who manages the day-to-day functioning of the firm. The partners are further backed by a team of qualified managerial professionals with expertise in their respective domains. Over the years, the firm has built a strong track record in the industry, fostering long-standing relationships with both suppliers and customer.

Comfortable scale of operations though declined in FY25
Majority of the firm's revenue is derived from sale of mobile phones (both smart phones and featured phones), wherein Oppo brand is a major contributor. Demand of Oppo mobiles was exceptionally high in FY24, due to which the firm registered high sales growth in FY24. However, during FY25 demand for OPPO mobiles remained in line with past years (excluding FY24 performance). As a result, overall revenue declined to ₹888.68 crore in FY25 from ₹1,450.38 crore in FY24. CareEdge ratings notes that performance was satisfactory in comparison to previous years' performance (excluding FY24). Also, this decline is partially mitigated by increased sales for laptops and other electronic gadgets.
In FY25, there is an addition in the authorised distributorships of new products like "Supertron Electronics Private Limited" for the sale of "Lenovo" brand laptops, "Versuni India Home Solutions Limited (formerly known as Philips Domestic Appliances India Limited" for sale of home appliances, such as mixer grinder, toaster, blender, air fryer, sandwich maker, iron, vacuum cleaner, etc. and "Lava" Mobiles on PAN India basis through online channel. It would help the company in increasing turnover from FY26 onwards. As on September 30, 2025, the firm has already achieved revenue of ~₹700 crore and is expecting to achieve turnover of ~₹1,000 crore in FY26.

Comfortable working capital cycle
The firm operates at comfortable working cycle of 32 days in FY25 (PY: 17 days). The slight moderation in operating cycle is due to extended collection and inventory holding, as FMLLP is required to maintain considerable amount of inventory to cater the immediate demand of the customers, resulting in an average inventory holding period of ~12 days in FY25 (PY:6 days). Further, being in a highly competitive nature of industry, the firm normally extends credit period of up to 30-45 days to its customers; resulting in debtors holding of 27 days in FY25 (PY: 14 days). FMLLP typically procures inventory by making advance payments to its suppliers.

Liquidity: Stretched
Liquidity profile of the firm remains stretched as marked by GCA of ₹2.76 crore in FY25 against the scheduled debt repayment of ₹2.71 crore in FY26. Additionally, the firm has low free cash and bank balance of ₹0.02 crore as on June 30, 2025. Average

utilisation of working capital limits remained almost 80%-90% for the trailing 12 months ending September 2025, and it remains fully utilised in the peak season (festive season, promotional season, etc.), leaving no buffer in case of short-term mismatch in cashflows. However, the firm is not having any capex plan in the near-to-mid-term. The firm's liquidity would remain exposed to the risk of capital withdrawal, given the partnership nature of the firm. Partners to support the liquidity position of firm through infusion of unsecured loans, on a need basis.

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](#)
[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Consumer electronics

FMLLP was established as a limited liability partnership firm in September 2017. FMLLP is an authorised distributor of mobile phones, mobile gadgets & accessories, and laptops, etc. for the reputed brands, such as "OPPO Mobiles India Private Limited", "ITEL Mobile", "Tecno Mobile", and "Ultimus Laptops" and other electronic products and appliances on PAN India basis. It majorly sells the products through e-commerce platform i.e., Flipkart India Private Limited, Appario Retail Private Limited, etc. FMLLP operates its offices in seven locations based out in Delhi, Gurugram, Bengaluru, Mumbai, Kolkata, Chennai, and Hyderabad.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	Q1FY26 (UA)
Total operating income	1,450.38	886.88	336.05
PBILDT	14.38	10.38	2.97
PAT	5.22	2.15	0.85
Overall gearing (times)	3.01	2.29	NA
Interest coverage (times)	2.38	1.54	1.84

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results
Q1FY26: refers to the period April 01, 2025 to June 30, 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	-	-	-	October 2026	3.83	CARE BB; Stable
Fund-based - LT-Working Capital Limits	-	-	-	-	62.00	CARE BB; Stable

LT: Long term

CareEdge RATINGS

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-Working Capital Limits	LT	62.00	CARE BB; Stable	-	1)CARE BB; Stable (05-Sep-24)	1)CARE BB; Stable (08-Aug-23)	-
2	Fund-based - LT-Term Loan	LT	3.83	CARE BB; Stable	-	1)CARE BB; Stable (05-Sep-24)	1)CARE BB; Stable (08-Aug-23)	-

LT: Long 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 - LT-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.

Contact us

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