

Arihant Computers

December 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	35.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information (No Default Statement) from Arihant Computers (AC) to monitor the rating vide e-mail communications dated December 08, 2025, December 10, 2025 and December 11, 2025 among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information (No Default Statement) for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Further, AC has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings on AC's bank facilities will now be denoted as '**CARE BB-; Stable; ISSUER NOT COOPERATING**'.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating assigned to the bank facilities of Arihant Computers (AC) is constrained by its moderate scale of operations with thin profitability margins, leveraged capital structure, weak debt coverage indicators and working capital intensive nature of operations leading to stretched liquidity position. The ratings further continue to be constrained by the presence of the firm in a highly fragmented industry leading to stiff competition and the constitution of the entity being a partnership firm. The ratings, however, derive strength from the experienced promoters with proven track record of operations and their established relationship with a diversified diverse customer and supplier base.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on October 31, 2024 the following were the rating strengths and weaknesses (updated for the information available from AC)

Key weaknesses

Moderate scale of operations with thin profitability

AC's scale of operations grew over previous year due to increasing in demand from existing customers as well as acquisition of new customers, marked by total operating income (TOI) rising to ₹211.35 crore in FY25, compared to ₹180.34 crore in FY24. Despite the growth, scale of operations continues to remain moderate. Further, during H1FY26, the firm reported sales worth ₹.162.00 crore.

The profitability margins of the company as marked by PBILDT and PAT margins continued to remain thin owing to trading nature of operations. During FY25, PBILDT margin of the firm was 2.28% (PY: 2.41%) whereas PAT margin was 0.81% (PY: 0.80%).

Leveraged capital structure and weak debt coverage indicators

AC's capital structure remained leveraged owing to high overall debt vis-à-vis low networth base marked by overall gearing ratio at 3.06x as on March 31, 2025 compared to 3.63x as on March 31, 2024. Further, the firm debt coverage indicators also remained weak as a result of high overall debt as well as related interest costs against low profitability as marked by modest interest coverage ratio and high total debt-to-GCA of 1.56x and 21.72 years, respectively, as on March 31, 2025, as against 1.50x and 26.59 years as on March 31, 2024.

Working capital intensive nature of operations

The firm's operations remained working capital intensive, marked by gross current asset period of 162 days in FY25 as against 113 days in FY24, primarily due to a higher amount of funds being blocked in inventory. Inventory holding period elongated to 102 days in FY25 from 73 days in FY24, as the firm is required to maintain a diverse product portfolio to meet immediate customer

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

demands. Further, it extends a credit period of 30-60 days to its domestic customers, with the exports are done on 100% advance basis, resulting in a comfortable collection period of 29 days in FY25(FY24:23 days). On the other hand, due to its low bargaining power with its suppliers the firm enjoys a meagre credit period of about 30 days from its suppliers. However, the firm tends to settle payments on immediate basis to avail cash discounts. Although, the creditors' period remained elongated to 46 days in FY25, compared to 10 days in FY24. Consequently, the working capital cycle remained high at 86 days as on March 31, 2025 (P.Y.: 85 days) which contributed to higher utilization of working capital limits. Average utilization of working capital limit was high of more than 85% post past year ended November 2025.

Presence in a highly fragmented industry leading to stiff competition

The industry is highly fragmented and competitive in nature. It consists of large, well-established players and unorganized small units. With the increasing competition and growing demand, it has become increasingly essential for the players to set up well-structured distribution network to establish their reputation in the market. The same has resulted to low bargaining power against its customers and hence profit margins of the firm stood relatively lower over the years.

Constitution of entity being partnership firm

There is an inherent risk associated with the entity being a partnership firm, as partners have the flexibility to withdraw capital at any time. During FY25, the partners infused capital of ₹0.31 crore, compared to withdrawals of ₹0.85 crore in FY24.

Key strengths

Experienced promoters with long track record of operations

Arihant Computers is promoted by Mr. Kamlesh Firodiya and Mrs. Sujata Firodiya, who oversee the firm's overall operations. With over two decades of experience in the computer hardware industry, the promoters have established strong marketing connects across domestic and international markets, including those in Hong Kong, the USA, and the United Kingdom. The promoters also manage other entities, including Arrownix (a partnership firm) and Skyworld (a proprietorship firm owned by Mrs. Sujata Firodiya), which operate in a similar line of business.

Established relationship with a diversified customer and supplier base

During the existence of the firm, the promoters have built strong relationships with a diverse customer and supplier base. The customer profile remains moderately diversified, with the top 10 customers contributing for 60.11% of total sales in FY25, compared to 45.86% in FY24. Conversely, the supplier base is highly concentrated, with the top 10 suppliers contributing 78.99% of total purchases in FY25, up from 71.96% in FY24. This concentration is primarily due to the dealership business model involving recognized brands in the computer equipment and peripherals industry.

Liquidity: Stretched

The liquidity position remained stretched as marked by low cash and bank balance, and high utilization of its working capital limits. Due to blockage of funds in inventories, working capital utilization remained high close to 90% over the past 12 months ended November 2025. Further, cash and bank balance stood negligible at Rs. 0.08 crores as on March 31, 2025 (vis-à-vis Rs.0.02 crore as on March 31, 2024). The current ratio was moderate at 1.16x as on March 31, 2025 (vis-à-vis 1.27x as on March 31, 2024). However, cash flow from operations stood positive at ₹4.48 crore as a result of improved creditor days compared to a negative cash flow from operations of ₹5.31 crore during the previous year.

Assumptions/Covenants: Not Applicable

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

Applicable criteria

[Criteria on Information Adequacy Risk and Issuer Non-Cooperation](#)

[Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' and credit watch](#)

[Financial Ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Rating Methodology - Wholesale Trading](#)

About the firm and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information Technology	Information Technology	IT - Hardware	Computers Hardware & Equipments

Established in 1998, Arihant Computers is a partnership firm promoted by Mr. Kamlesh Firodiya and Mrs. Sujata Firodiya, holding equal stakes in the firm. The firm specializes in the wholesale trading of computer components and peripherals, primarily from brands such as Intel, Corsair, TP-Link etc. The firm sources all its products from the domestic market and trades them both domestically and internationally. Exports account for approximately 50% of total sales, with key export markets including Hong Kong, the USA, and the United Kingdom.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (Prov.)
Total operating income	180.34	211.35	162.00
PBILDT	4.35	4.82	-
PAT	1.44	1.71	-
Overall gearing (times)	3.63	3.06	-
Interest coverage (times)	1.50	1.56	-

A: Audited Prov.: Provisional; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various 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		-	-	-	35.00	CARE BB-; Stable; ISSUER NOT COOPERATING*

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

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 BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (31-Oct-24)	-	-

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

LT: Long term

Annexure-3: Detailed explanation of covenants of the 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

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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