



Press Release
RAJCHANDRA AGENCIES
January 08, 2026
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE B+ Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 25.00 crore bank facilities of Rajchandra Agencies (RA). The outlook is '**Stable**'.

Rationale for rating

The rating reaffirmation considers muted scale of operations with thin profitability margins. It also reflects the below average financial risk profile characterized by high gearing ratio, low net worth and stretched liquidity position of the firm. The rating takes note of the capital withdrawal risk associated with partnership firm. The rating positively factors experienced management and drives comfort from its efficient working capital operations.

About the Company

Mumbai based partnership firm, Rajchandra Agencies, was incorporated in 1998 by Mr. Mukesh R. Gupta and Mr. Harikrishan N. Gupta. It is an authorized distributor for Bharti Airtel Limited's prepaid products; ITC's cigarettes, foods, and personal care products; and Vivo's mobile handsets for western & northern suburbs of Mumbai. Mr. Mukesh Gupta looks after the ITC & Vivo products and Mr. Harikrishan Gupta looks after the Airtel products along with the accounts section.

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of RA to arrive at this rating.

Key Rating Drivers

Strengths

Extensive experience of partners with diverse product portfolio

The firm's partners, Mr. Mukesh Gupta and Mr. Hari Gupta have been engaged in the distribution of FMCG products for nearly two decades. The partners have maintained long-standing associations with major suppliers such as ITC (15 years), Airtel (21 years), and Joinmay Mumbai Electronics Pvt. Ltd. (11 years), which has supported the firm's business risk profile. Additionally, the diversified product range reduces dependence on any single brand. Acuite believes that the firm will continue to benefit from its long-standing client relationships and the

extensive experience of its partners.

Efficient working capital management

The firm's working capital operations remain efficient, as reflected by gross current asset (GCA) days of 86 days as on March 31, 2025 (79 days as on March 31, 2024). This is supported by stable collections from debtors and consistent inventory levels. Inventory days stood at 35 days as on March 31, 2025 (33 days as on March 31, 2024), while collections from debtors remain efficient, with receivable days at 49 days as on March 31, 2025 (44 days as on March 31, 2024).

Weaknesses

Muted scale of operations coupled with thin margins

The firm's revenue remained stagnant at Rs 171.63 Cr. in FY2025 and Rs 172.66 Cr. in FY2024, reflecting a marginal degrowth of ~0.59 percent. Operating margin declined slightly to 1.27 percent in FY2025 from 1.32 percent in FY2024, primarily due to higher selling expenses (incentives paid), while PAT margin remained at similar levels of 0.62 percent in FY2025 and 0.61 percent in FY2024. Till November 2025, it has achieved revenue of Rs 108.15 Cr. Acuite believes that the firm's ability to enhance its scale of operations and improve profitability will remain a key monitorable over the near to medium term.

Below average financial risk profile

The financial risk profile of the firm remains below average, marked by low net worth, high gearing, and weak debt protection metrics. Net worth declined to Rs. 8.79 Cr. as on March 31, 2025, from Rs. 9.46 Cr. as on March 31, 2024, primarily due to withdrawal of funds by partners albeit accretion of current year's profit to reserve. Gearing remains high at 3.41 times as on March 31, 2025 (2.87 times as on March 31, 2024) driven by an increase in unsecured loans from NBFCs and other financial institutions. TOL/TNW also remained high at 3.85 times as on March 31, 2025, compared to 3.18 times a year earlier. Further, debt protection metrics were weak, with interest coverage ratio (ICR) at 1.36 times and debt service coverage ratio (DSCR) below unity at 0.96 times as on March 31, 2025.

Geographical concentration in revenue profile

The firm operates as a distributor for Airtel's prepaid products (Bhayander to Borivali), ITC's products (Dahisar and Borivali) and Vivo mobile's handsets (Nalasopara & Virar) covering Western and northern part of Mumbai region. With the entire revenue generated from few suburbs within this region, the firm is exposed to geographic concentration risk.

Capital withdrawal risk associated with partnership firm

Being a partnership firm, firm is exposed to the capital withdrawal risk. Any significant withdrawal from the partner's capital will have a negative bearing on the financial risk profile of the firm.

Rating Sensitivities

- Improvement in scale of operation and profitability margin
- Any significant increase in debt levels or stretch in working capital management thereby impacting the financial and liquidity profile
- Elongation in working capital cycle

Liquidity Position

Stretched

The firm's liquidity position remains stretched, marked by low cash accruals against repayment obligations. Net cash accruals stood at Rs.1.24 Cr. as on March 31, 2025, against debt repayments of Rs.1.41 Cr. during the same period, with shortfalls met through unsecured loans. However, cash accruals are expected to improve and remain in the range of Rs.1.35 Cr. to 1.65 Cr. over the near to medium term, against long-term debt obligations of Rs.0.67–0.76 Cr. The current ratio stood moderate at 1.23 times as on March 31, 2025. The cash and bank balance stood low at Rs.0.41 Cr. as on March 31, 2025. Further, reliance on working capital limits remains high, with limits almost fully utilized over the last seven months ending October 2025.

Outlook-Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	171.63	172.66
PAT	Rs. Cr.	1.06	1.05
PAT Margin	(%)	0.62	0.61
Total Debt/Tangible Net Worth	Times	3.41	2.87
PBDIT/Interest	Times	1.36	1.37

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Oct 2024	Term Loan	Long Term	1.59	ACUITE B+ Stable (Reaffirmed)
	Cash Credit	Long Term	23.20	ACUITE B+ Stable (Reaffirmed)
	Term Loan	Long Term	0.21	ACUITE B+ Stable (Reaffirmed)
14 Jul 2023	Cash Credit	Long Term	20.50	ACUITE B+ Stable (Assigned)
	Term Loan	Long Term	1.85	ACUITE B+ Stable (Assigned)
	Term Loan	Long Term	2.12	ACUITE B+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.53	ACUITE B+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	23.20	Simple	ACUITE B+ Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.21	Simple	ACUITE B+ Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Oct 2026	1.59	Simple	ACUITE B+ Stable Reaffirmed

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Divya Bagmar Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.