January 23, 2026

Poorvika Mobiles Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Term loans	101.68	171.23	[ICRA]BBB+ (Stable); reaffirmed & assigned for enhanced amount
Long term – Fund based – Working capital facility	-	85.00	[ICRA]BBB+ (Stable); reaffirmed & assigned for enhanced amount
Short term – Fund based - Bill discounting (Channel financing)	30.00	64.00	[ICRA]A2; reaffirmed & assigned for enhanced amount
Long term – Fund based – Overdraft	35.00	-	-
Total	**166.68**	**321.23**	

**Instrument details are provided in Annexure I*

Rationale

The ratings reaffirmation on the bank lines of Poorvika Mobiles Private Limited (Poorvika) considers an expected improvement in its operational and financial performance over the medium term, supported by its established presence in the South Indian market, brand value and extensive experience of its promoters in the mobile retail industry. As of December 2025, the entity has presence across Tamil Nadu, Karnataka and Puducherry with 438 outlets (including 40 home appliance outlets). Poorvika's operating income grew by 1.8% (YoY) to Rs. 3,661.4 crore in FY2025, supported by increase in revenues generated from the consumer durable segment. However, sales volumes of mobiles moderated in FY2025 with closure of certain smaller and less profitable outlets. An increase in revenues from the consumer durable segment is expected to support revenue growth over the medium term. The ratings also remain supported by the comfortable financial risk profile with a healthy capital structure. Coverage metrics are expected to improve over the medium term with repayment of term loans.

The ratings, however, remain constrained by the company's low operating margin due to the retail nature of operations and intense competition from online and offline vendors, limiting its pricing flexibility and stagnating its same-store revenue growth in the recent past. ICRA also notes Poorvika's modest current ratio with high reliance on creditors. The total outside liability/ tangible net worth ratio moderated to 2.1 times in FY2025 compared to 1.9 times in FY2024, due to debt-funded store expansions by the entity over the past two fiscals, leading to an increase in borrowings and a rise in year-end cash balances. Nevertheless, the company's net worth remains strong and stood at Rs. 282.0 crore as of March 31, 2025. The ratings remain constrained by its high geographical concentration with around 70% of its operating income received from Tamil Nadu in FY2025, and by the high product concentration, with a primary focus mainly on mobile phones and accessories. Nonetheless, the company is diversifying across consumer durables, which provides some comfort.

The Stable outlook on the long-term rating reflects ICRA's expectation that Poorvika's improvement in revenues and operating metrics is likely to sustain. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, if any, will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing ratings.

Key rating drivers and their description

Credit strengths

Established presence as one of the largest multi-brand retail mobile phone vendors in India – Poorvika commenced operations in 2004 as a mobile phone retailer and has established itself as a dominant player in the South Indian multi-brand mobile retail market, with 40 exclusive home appliance outlets along with 398 exclusive mobile distribution outlets (as of December 2025) spread across Tamil Nadu, Karnataka and Pondicherry. The company has been present for over ten years in this market and is well-known in Tamil Nadu. Its solid partnership with leading mobile manufacturers helps ensure steady long-term sales.

Comfortable financial profile with healthy capital structure and debt coverage metrics – Poorvika's financial profile remains comfortable, with a gearing ratio of 0.9 and a net worth of Rs. 282.0 crore as of March 31, 2025. With the increase in term loan borrowings towards new store expansions, the interest costs have increased to Rs. 15.8 crore in FY2025 compared to Rs. 10.0 crore in FY2023. Nevertheless, the coverage indicators continued to be healthy at 5.4 times in FY2025. Going forward, the company's debt levels are likely to increase and fund new store expansions. However, its coverage indicators are expected to remain healthy supported by a modest increase in profit margins. Further, the company has been able to rotate its inventory optimally, as characterised by inventory days of around 39 days as on March 31, 2025, resulting in low working capital intensity.

Credit challenges

Moderate operating profitability with intense competition across product categories limiting pricing flexibility and margins – Poorvika's operating margins are constrained by the trading nature of operations with minimal value addition. Intense competition in the market from online and offline vendors has resulted in limited pricing flexibility. Further, the higher selling expenses to mitigate increased competition risks also led to lower operating profitability. Nonetheless, ICRA notes that the operating margin marginally improved to 2.3% in FY2025 against 2.2% in FY2024. Going forward, operating margins are expected to improve with benefits being derived from the newly launched home appliance showrooms.

The domestic mobile retail industry is characterised by stiff competition due to its fragmented nature with a considerable volume share enjoyed by many small unorganised players, continuous expansion by a few large regional players and the presence of e-commerce players. However, owing to a strong brand presence and focused marketing initiatives, Poorvika has been able to maintain a reasonable market position, leading to stable volumes and earnings over the years, despite limited pricing flexibility.

High geographical and product concentration risks – Poorvika has a high focus on mobile phones and accessories, resulting in a high product concentration risk and any weakening of demand for mobile phones will impact the company's operational profile. However, no major decline in demand for mobile phones is anticipated in the medium term. Further as an effort to diversify its product portfolio in FY2022, the company ventured into the trading of consumer durable products. The company's operating revenues are mainly concentrated in Tamil Nadu, accounting for around 70% of its operating income, indicating high geographical concentration risk. Nevertheless, the company's growing presence in Karnataka and Puducherry, along with the launch of various other products and diversification into other consumer durables, mitigates the concentration risk to an extent.

Liquidity position: Adequate

The company's liquidity position is expected to be adequate, supported by the anticipated cash flow from operations in excess of Rs. 60 crore in FY2026, and healthy cash and cash equivalents of around Rs. 52.7 crore as on March 31, 2025. Poorvika is likely to incur capex of around Rs. 50 crore in FY2026, funded through term loans and internal accruals in the ratio of 3:1.

Further, it has term loan repayment obligations of around Rs. 42 crore in FY2026 and Rs. 43 crore in FY2027. Given the healthy demand for products sold by Poorvika in the market, its cash accruals from operations are expected to be adequate to meet its expansion and working capital requirements.

Rating sensitivities

Positive factors – Poorvika's ratings may be upgraded if the company registers a sustained healthy growth in its revenues and earnings, driven by diversification into the consumer durable segment, over and above its existing core business of mobile retailing.

Negative factors – The ratings may be downgraded in case of sustained pressure on the company's operating performance. Any large debt-funded capex or significant outflow of funds in the form of financial support to Group entities, adversely impacting the debt protection metrics and liquidity position of the entity, may also result in ratings downgrade. Specific credit metric that could lead to ratings downgrade includes DSCR less than 1.5 times on a sustained basis, alongside a material depletion in cash reserves.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Retail
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the rated entity

About the company

Poorvika Mobiles Private Limited was incorporated in 2004 by its Directors, Mr. Uvaraj Natarajan and Mrs. Kanni Uvaraj. It is involved in multi-brand retail trading of mobile phones and accessories. The company deals with major mobile handset brands such as Oppo, Vivo, Apple, Samsung, Xiaomi and others, directly through its own retail network. In FY2022, Poorvika ventured into the consumer durable business. As of December 2025, Poorvika has set up over 438 mobile outlets (including 40 home appliances retail outlets) across Tamil Nadu, Karnataka and Puducherry.

Key financial indicators (audited)

Poorvika Mobile Private Limited	FY2024	FY2025
Operating income	3,596.8	3,661.4
PAT	27.4	28.3
OPBDIT/OI	2.2%	2.3%
PAT/OI	0.8%	0.8%
Total outside liabilities/Tangible net worth (times)	1.9	2.1
Total debt/OPBDIT (times)	2.0	2.9
Interest coverage (times)	5.5	5.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Jan 23, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based -Term loans	Long-term	171.23	[ICRA]BBB+ (Stable)	Oct 29, 2024	[ICRA]BBB+ (Stable)	Jul 31, 2023	[ICRA]BBB+ (Stable)	Apr 29, 2022	[ICRA]BBB+ (Stable)
Fund based – Working capital facility	Long-term	85.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-
Fund based -Bill discounting (Channel financing)	Short-term	64.00	[ICRA]A2	Oct 29, 2024	[ICRA]A2	-	-	-	-
Fund based – Overdraft limit	Long-term	-	-	Oct 29, 2024	[ICRA]BBB+ (Stable)	Jul 31, 2023	[ICRA]BBB+ (Stable)	Apr 29, 2022	[ICRA]BBB+ (Stable)
Unallocated limit	Long-term	-	-	-	-	Jul 31, 2023	[ICRA]BBB+ (Stable)	Apr 29, 2022	[ICRA]BBB+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Working capital facility	Simple
Term loans	Simple
Bill discounting (Channel financing)	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Fund based – Working capital facility**	NA	NA	NA	85.00	[ICRA]BBB+ (Stable)
NA	**Fund based -Term loans**	FY2022	NA	FY2030	171.23	[ICRA]BBB+ (Stable)
NA	**Fund based -Bill discounting (Channel financing)**	NA	NA	NA	64.00	[ICRA]A2

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not Applicable

ANALYST CONTACTS

Jitin Makkar
+91 124 4545 368
jitinm@icraindia.com

G S Ramakrishnan
+91 44 4596 4300
g.ramakrishnan@icraindia.com

Srikumar Krishnamurthy
+91 44 4596 4318
ksrikumar@icraindia.com

Trusha Mahendra Patil
+91 94 2350 3574
trusha.patil@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches