



**Press Release**  
**TAYLORMADE RENEWABLES LIMITED**  
**February 17, 2025**  
**Rating Downgraded and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.50	ACUITE C   Downgraded	-
Bank Loan Ratings	3.00	-	ACUITE A4   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	7.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has downgraded the long-term rating to ‘**ACUITE C**’ (read as **ACUITE C**) from ‘**ACUITE B**’ (read as **ACUITE B**) and reaffirmed the short-term rating to ‘**ACUITE A4**’ (read as **ACUITE A four**) on the Rs. 7.50 crore bank facilities of Taylormade Renewables Limited (TRL).

**Rating Rationale**

The rationale for downgrade is due to delays observed in the servicing of ICICI Bank term loan (not being rated) on several occasions, with the latest delay being in the month of November 2024. However, operationally and financially the company has shown significant improvement in terms of revenue and margins. Higher influx of orders due to rise in net zero emission goals and other products provided by the company in the field of waste water treatment, parabolic dishes etc has resulted in this increase. These strengths are offset by the intensive working capital cycle, presence in a highly fragmented industry with a limited size and exposure to risks related to with tender-driven nature of operations.

**About the Company**

Based in Ahmedabad, Gujarat, Taylormade Renewables Limited (TRL) Is promoted by members of the Gor family, TRL was incorporated in 2010. The company manufactures components and carries out EPC (engineering, procurement, and construction) work for renewable energy and solar thermal applications, primarily parabolic concentrators. It also manufactures bio-mass cook stoves, box cookers, and dish cookers among others. TRL has patents for some of its products.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has taken standalone view of the financial and business risk profile of TRL

**Key Rating Drivers**

**Strengths**

**Extensive industry experience of the promoters:**

The promoters have around two decades of experience in the industry and have developed strong relationship with customers. The managing director of the company is Mr.Dharmendra Sharad Gor and the director is Mrs.Neera Dharmendra Gor who have around 2 decades of experience in this industry. Additionally, an experienced management who have knowledge about the industry in which TRL functions should continue to support the business risk profile.

### **Increasing scale of operations**

The company has earned Rs 46.90cr in FY2024 as compared to Rs19.79cr. in FY2023, due to improved industry demand for the technologies supplied by TRL. The capacity has been increasing since FY2022 due to increased demand for products and advancement in the industry with regards to compulsion of net zero emissions. TRL

builds its own plant and then the company provides Comprehensive operational and maintenance contract (COMC) on an annual basis, to few of the clients (20-year contract with IIT Roorkee ). The EBITDA and PAT margins for FY2024 stood at 34.33% and 22.62% respectively. The increase in margins are due to higher operating income resulting in higher EBITDA levels.

### **Moderate Financial Risk Profile**

The tangible net worth of the company stood at Rs.63.34 Cr. as on March 31, 2024 as compared to Rs.20.62 Cr. as on March 31, 2023, due to accretion to reserves. The gearing of the company stood modest at 0.11 times as on 31 March 31, 2024, as the company has low debt (Rs.7.05 Cr.) compared to net worth Rs63.34 Cr. However, the loan from banks consists of Rs.0.54 Cr. and interest free loans from directors of Rs.0.19 Cr. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 0.51times as on March 31, 2024, as compared to 0.53 times as on March 31, 2023. The debt protection metrics of the company remain comfortable marked by Interest coverage ratio (ICR) of 30.46 times and debt service coverage ratio (DSCR) of 21.73 times for FY2024. The net cash accruals to total debt (NCA/TD) stood at 1.56 times in FY2024 due to increased net cash accruals for FY2024 at Rs.10.97 Cr. compared to Rs.2.20 Cr. in FY2023.

### **Weaknesses**

#### **Presence in a highly fragmented industry with a limited size:**

The industry comprises a number of unorganised players due to low entry barriers with limited initial investment and complexity of operations. Further, the pace and scale of solar thermal energy adoption is modest.

#### **Working capital-intensive operations:**

The working capital management of the company is moderate marked by Gross Current Assets (GCA) of 626 days for FY2024 as compared to 487 days for FY2023. This is due to other current assets consisting of advance paid to suppliers. The inventory days of the company stood at 137days in FY2024 as compared to 281 days in FY2023. The debtor days stood at 232 days in FY2024 against 189 days in FY2023. Major receivables are due from Andhra Pradesh EPC project. Usually, 25% advances are given before setting up the plant. Additionally, days payable outstanding stood at 249 days against 260 days in FY2023. TRL benefits by extending terms with their creditors, terms are mutually agreed upon.

### **Rating Sensitivities**

- Scale of operations and profitability
- Timely repayment of bank loans
- Working capital management
- Timely execution of order book

### **Liquidity Position**

#### **Poor**

The company has delayed in the repayment of its debt obligations on several instances with the latest instance being in the month of November 2024 (as on 10th Feb2025). Additionally, the annual report of the company for financial year 2023-24 consists of excerpts which highlights the delays in the loan accounts of Bajaj Finserv and ICICI Bank. However, the company's net cash accruals stood at Rs. 10.97Cr. as on March 31, 2024 . The current ratio of the company stood comfortable at 2.83 times in FY2024. The cash and bank balance stood at Rs.0.29 Cr. for FY2024. The average bank limit utilisation over the past six months ended November 2024 stood at ~98%. Acuité believes that the liquidity of the company and timely repayment of debt will remain a key monitorable.

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	46.90	19.79
PAT	Rs. Cr.	10.61	1.97
PAT Margin	(%)	22.62	9.95
Total Debt/Tangible Net Worth	Times	0.11	0.16
PBDIT/Interest	Times	30.46	7.34

### 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>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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. Acuité'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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Nov 2024	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	5.50	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+)
02 Apr 2024	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	5.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
11 Jan 2023	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	5.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A4   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.50	Simple	ACUITE C   Downgraded ( from ACUITE B )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE C   Downgraded ( from ACUITE B )

## Contacts

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### About Acuité Ratings & Research

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