

Press Release

Toyop Relief Private Limited

November 27, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 20.75 Cr.
Long Term Rating	ACUITE B / Outlook: Stable
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE B**' (read as **ACUITE B**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 20.75 crore bank facilities of Toyop Relief Private Limited. The outlook is '**Stable**'.

TRPL was incorporated in 1997 as a proprietorship concern reconstituted as a partnership firm and later as a private limited company in 2007. TRPL was promoted by Mr. Sachin Shah and his wife Mrs. Toral Shah. TRPL is engaged in the business of supplying relief materials to various organizations that cater to needy nations in times of calamities and disasters. TRPL is also an authorized dealer of plastic granules for Lyondell Basell Group in India. TRPL has also invested in 1.5 MW wind power generation in Rajasthan.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Toyop Relief Private Limited to arrive at the rating.

Key Rating Drivers

Strengths

• Long Track Record of Operations with an Experienced Management

TRPL was established in 1997 as a proprietorship concern and reconstituted as a private limited company in 2007. The company is promoted by Mr. Sachin Shah who has been in this business since the past two decades. Acuite believes company's long track record of operations along with promoter's extensive experience helps the company in maintaining long term relations with its customers and suppliers.

• Reputed Customer Base

TRPL is engaged in the business of supplying relief materials to various non-governmental organizations including UNICEF IOM UNHCR IFRC to name a few that cater to needy nations in times of calamities and disasters. Further TRPL is the authorized distributor of Lyondell Basell Group a public multinational chemical company listed on the NYSE stock exchange.

Weaknesses

• Working Capital Intensive Nature of Operations

TRPL's operations are working capital intensive marked by a high GCA of 195 days in FY2018 as compared to 226 days in FY2017. This is dominated by an inventory of 96 days in FY2018 against 105 days in FY2017 and debtors of 51 days in FY2018 against 83 days in FY2017. The reason for high inventory is on account of maintaining a finished goods inventory to cater to the needs of NGO's before or at the time of calamities.

• Modest Scale of Operations

TRPL has been in operation since the past two decades despite which its scale of operations is moderate with an operating income of Rs.56.13 crore in FY2018 against Rs.50.62 crore in FY2017. The company has registered revenue of Rs.25 crore for the period from April 2018 to October 2018.

Outlook: Stable

Acuite believes that TRPL will maintain a 'Stable' outlook over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the company registers substantial growth in revenues and profitability while maintaining its debt protection metrics. Conversely the outlook may be revised to 'Negative' in case of deterioration in its financial risk profile or working capital management.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	56.13	50.62	81.37
EBITDA	Rs. Cr.	-0.35	4.60	6.16
PAT	Rs. Cr.	-2.44	0.25	1.42
EBITDA Margin	(%)	-0.63	9.10	7.57
PAT Margin	(%)	-4.35	0.49	1.74
ROCE	(%)	-1.88	17.69	50.14
Total Debt/Tangible Net Worth	Times	2.81	1.69	1.66
PBDIT/Interest	Times	0.08	1.50	1.46
Total Debt/PBDIT	Times	79.64	3.15	2.24
Gross Current Assets (Days)	Days	174	195	105

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	8.75	ACUITE A4
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE B / Stable
Letter of credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4

*Sum total of EPC/PCFC and FBP/PSCFC should be up to a maximum limit of Rs.8.75 crore &Total/Maximum working capital fund based limit upto a maximum limit of Rs.13.75 crore #Sublimit of BG of Rs.6.00 crore

Contacts

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About Acuité Ratings & Research:

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