



Press Release
Toyop Relief Private Limited
April 02, 2024

Rating Reaffirmed and Withdrawn

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|-------------------------------------|-------------------------------------|
| Bank Loan Ratings | 7.56 | ACUITE BB- Reaffirmed & Withdrawn | - |
| Bank Loan Ratings | 12.00 | - | ACUITE A4+ Reaffirmed & Withdrawn |
| Bank Loan Ratings | 37.44 | - | Not Applicable Withdrawn |
| Total Outstanding Quantum (Rs. Cr) | 0.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 57.00 | - | - |

Rating Rationale

Acuite has reaffirmed and withdrawn the long-term rating of '**ACUITE BB-**' (read as **ACUITE Double B minus**) and short-term rating of '**ACUITE A4+**' (read as **ACUITE A Four Plus**) on the Rs 19.56 crore bank facilities of Toyop Relief Private Limited (TRPL). Further, Acuite has withdrawn the proposed short-term facilities without assigning any rating on Rs 37.44 crore of Toyop Relief Private Limited (TRPL). The rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company, and the NOC (No Objection Certificate) received from the banker

Rationale for Rating Reaffirmation

The rating reaffirmation reflects steady operating performance of TRPL marked by stable revenue growth and range bound operating margins. The revenue stood at Rs.56.52 Cr. in FY2023 against Rs.45.32 Cr. in FY2022. Further, TRPL reported revenue of Rs.65.00 Cr. as of March 2024. The rating also factors in comfort derived by long track record of operations with an experienced management spanning over more than two decades with reputed customer base. Further, the rating is constrained by TRPL's average financial risk profile and intensive nature of working capital operations.

About the Company

Maharashtra Based - 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.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité 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 will help 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

Average Financial risk profile

The financial risk profile of the company stood marked by low net worth, moderate gearing and debt-protection metrics. The net worth of the company stood at Rs. 6.47 Cr. as on 31 March 2023 as against Rs. 4.51 Cr. as on 31 March 2022. The gearing (debt-equity) of the company stood at 3.15 times as on 31 March 2023 as against 4.70 times as on 31 March 2022. Total debt of the company stood at Rs. 20.36 Cr. as on 31 March, 2023 which comprises of short term debt of Rs. 11.46 Cr, long term debt of Rs.1.09 Cr. and Unsecured loans from promoters and related parties at Rs.6.80 Cr. Interest coverage ratio stood at 2.35 times for FY2023 as against 2.10 times for FY2022. Further, debt service coverage ratio stood at 1.59 times in FY2023 as against 1.41 times in FY2022. TOL/TNW stood at 4.16 times for FY2023 and Debt-EBITDA stood at 3.57 times for FY2023. However, NCA/TD stood at 0.13 times for FY2023 as against 0.07 times in previous year. No major debt-funded capex is planned by the company.

Working capital intensive operations

The working capital operations are intensive with GCA days of 166 days for FY2023 as against 175 days for FY2022. The high GCA days are led by inventory days of 113 days in FY2023 against 89 days in FY2022. The increase in inventory is due to increase in value of inventory and some increase in volumes. The debtor days stood at 49 days in FY2023 against 51 days in FY2022. The current ratio stood moderate at 1.55 times as on 31st March 2023 against 1.61 times in the previous year.

Rating Sensitivities

Improvement in scale of operations and profitability.
Further elongation in working capital operations

Liquidity Position

Stretched

The liquidity position of the company is stretched marked by high reliance on working capital limits, and working capital intensive nature of operations marked by GCA days of 166 days in FY2023. However, the cash accruals generated stood at Rs.2.61 Cr. for FY2023 against maturing debt repayment obligation of Rs.0.74 Cr. during the same period.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 23 (Actual) | FY 22 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 56.52 | 45.32 |
| PAT | Rs. Cr. | 1.95 | 0.89 |
| PAT Margin | (%) | 3.45 | 1.96 |
| Total Debt/Tangible Net Worth | Times | 3.15 | 4.70 |
| PBDIT/Interest | Times | 2.35 | 2.10 |

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

Not Applicable

Any other information

None

Applicable Criteria

- Entities In Manufacturing Sector:- <https://www.acuite.in/view-rating-criteria-59.htm>
- 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>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite 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 |
|-------------|--------------------------------|------------|-----------------|---|
| 19 Aug 2023 | PC/PCFC | Short Term | 5.00 | ACUITE A4+ (Reaffirmed) |
| | Letter of Credit | Short Term | 7.00 | ACUITE A4+ (Reaffirmed) |
| | Proposed Packing Credit | Short Term | 37.44 | ACUITE A4+ (Reaffirmed) |
| | Cash Credit | Long Term | 6.00 | ACUITE BB- Stable (Reaffirmed) |
| | Term Loan | Long Term | 1.02 | ACUITE BB- Stable (Reaffirmed) |
| | Term Loan | Long Term | 0.54 | ACUITE BB- Stable (Reaffirmed) |
| 25 May 2022 | Cash Credit | Long Term | 6.25 | ACUITE BB- Stable (Upgraded from ACUITE B) |
| | PC/PCFC | Short Term | 5.00 | ACUITE A4+ (Upgraded from ACUITE A4) |
| | Letter of Credit | Short Term | 7.00 | ACUITE A4+ (Upgraded from ACUITE A4) |
| | Proposed Letter of Credit | Short Term | 8.00 | ACUITE A4+ (Assigned) |
| | Proposed Packing Credit | Short Term | 2.50 | ACUITE A4+ (Upgraded from ACUITE A4) |
| | Proposed Packing Credit | Short Term | 28.25 | ACUITE A4+ (Assigned) |
| 28 Apr 2021 | Letter of Credit | Short Term | 7.00 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | PC/PCFC | Short Term | 8.75 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | Cash Credit | Long Term | 5.00 | ACUITE B (Reaffirmed & Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|----------------|----------------------|-------------------------|----------------------|----------------------|----------------------|------------------|-------------------|-------------------------------------|
| Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 6.00 | ACUITE BB- Reaffirmed & Withdrawn |
| Bank of India | Not avl. / Not appl. | Letter of Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 7.00 | ACUITE A4+ Reaffirmed & Withdrawn |
| Bank of India | Not avl. / Not appl. | PC/PCFC | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 5.00 | ACUITE A4+ Reaffirmed & Withdrawn |
| Not Applicable | Not avl. / Not appl. | Proposed Packing Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 37.44 | Not Applicable Withdrawn |
| Bank of India | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | 30 Aug 2024 | Simple | 1.02 | ACUITE BB- Reaffirmed & Withdrawn |
| Bank of India | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | 30 Nov 2026 | Simple | 0.54 | ACUITE BB- Reaffirmed & Withdrawn |

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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.

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