



Press Release
F.Robin Polymers Private Limited
September 02, 2024
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	80.80	ACUITE BB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	80.80	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 80.80 Cr. bank facilities of F Robin Polymers Private Limited (FRPL). The outlook is '**Stable**'.

Rationale for reaffirmation :

The rating reaffirmation take into account the improved operating revenue. The company has reported revenue of Rs.103.16 Cr. in FY2024 (Prov) registering a growth rate of ~55.66 Percent against the previous year, supported by capacity expansion and stabilized operations. The operating margins ranged between 20.81-15.29 percent for the last two years ended FY2024(Prov). The rating takes into account its extensive experience of the promoters.

The rating, however, remain constrained on account of below-average financial risk profile and working capital intensive.

About the Company

F Robin Polymers Private Limited (FRPL) was incorporated in 2016, promoted by Mrs. F. Stella and Mr. F Robin. The company is engaged in manufacturing of PP Woven sacks and jambo bags by using flexible integrated bulk container. It has a manufacturing facility at Chinnupatti, Batlagundu, Dindigul, Tamilnadu with a production capacity of 10.04 MT per day. The produced products are used majorly by players engaged in manufacturing cement, fertilizers, sugar, textile, food grain & agro products among others. The Company commenced its operations in June 2018. In January 2021, the Company instated 7 megawatt (MW) solar power project for captive consumption.

Unsupported Rating

Not applicable

Analytical Approach

Acuité has taken a standalone view of the business and financial risk profile of FRPL to arrive at the rating.

Key Rating Drivers

Strengths

- **Experienced Management**

FRPL was incorporated in 2016 and promoted by Mrs. F. Stella and her son, Mr. F. Robin. The day-to-day operations are managed by the managing director, Mrs. F. Stella, and her husband, Mr. Francis. The company manufactures polypropylene woven sacks, which

find utility as industrial packaging materials ideally suited for cement, sugar, and food grains, among others. Promoters and experienced management have helped the company stabilize and scale up its operations and develop relationships with its customers and suppliers. Acuité believes the promoter's strong understanding of market dynamics and experienced management will benefit the company going forward, resulting in steady growth in the scale of operations.

- **Improved operating income**

The operating income of the company has shown YOY growth of 55.66 percent in FY2024 (Prov) as against the previous year; it stood at Rs. 103.16 Cr. in FY2024 (Prov) as against Rs. 66.27 Cr. in FY2023. The reason behind the improvement in revenue in FY2024 is supported by capacity expansion and stabilized operations, i.e., the introduction of the new product, Jambo bags, by using flexible integrated bulk containers. The utilization of FIBC is almost 73 percent in FY2024, and the machine is operational 24/7. The operating margins ranged between 20.81-15.29 percent for the last two years ended FY2024(Prov). Acuité believes that the company's ability to improve its revenues and maintain its operational profitability will be a key factor going forward.

Weaknesses

- **Below-average financial risk profile**

The financial risk profile of the company has remained below average with weak capital structure and high gearing and moderate debt protection metrics. The net worth of the company stood at Rs.14.57 Cr. and Rs.11.27 Cr. as on March 31, 2024(Prov) and 2023 respectively. The gearing of the company stood at 5.29 times as on March 31, 2024(Prov), against 4.71 times as on March 31, 2023. Gearing has been deteriorated in 2024 (Prov) on account of infusion of term loans and USL from promoters. Debt protection metrics – Interest coverage ratio and debt service coverage ratio stood at 3.32 times and 1.74 times as on March 31, 2024(Prov) respectively as against 3.52 times and 1.91 times as on March 31, 2023, respectively. The debt to EBITDA of the company stood at 4.88 times as on March 31, 2024(Prov) as against 3.85 times as on March 31, 2023. Acuité believes the financial risk profile of the FRPL will remain below-average over the medium term and ability of the company to scale up its operations with surplus accruals in order to service its medium-term debt obligations in timely manner will be critical.

- **Working Capital intensive operations**

company's working capital cycle is intensive reflected by its GCA days at 124 days in FY2024(Prov) as against 108 days in FY2023. However, the increase in GCA days is on account of high other current assets of Rs. 10.58 Cr. in FY2024(Prov). Inventory days stood at 67 days in FY2024(Prov) as against 77 days in FY2023. The debtor days stood at 29 days in FY2024(Prov) as against 36 days in FY2023. Subsequently, the payable period stood at 1 day in FY2024(Prov) as against 1 day in FY2023. Further, the average bank limit utilization in the last ten months ended June, 24 remained high at ~98 percent for fund based limits.

Rating Sensitivities

- Significant improvement in scale of operations while maintaining profitability margins
- Any large debt-funded capital expenditure, resulting in deterioration of financial risk profile
- Any further deterioration in working capital management leading to deterioration in financials risk profile and liquidity

Liquidity Position: Adequate

FRPL's liquidity is adequate, with adequate NCAs for its repayment obligations. FPPL generated cash accruals of Rs.9.87 Cr. in FY2024(Prov) against its maturing debt obligations Rs.3.67 Cr. for the same period. The cash accruals of the company are estimated to remain around Rs.11-12.79 Cr. during FY2025-26, while their repayment obligations are estimated to be around Rs.4.56- 4.89 Cr. during the same period. However, the average fund-based working capital utilization stood at 98 percent for the past ten months ended June 2024, therefore indicating high dependency on fund-based limits. The company has maintained unencumbered cash and bank balances Rs.0.10 Cr. and the current ratio stood low at 1.00 times as on March 31, 2024(Prov). Acuité expects that the liquidity of the company is likely to be adequate over the medium term on account of moderate cash accruals to its maturing debt obligations.

Outlook: Stable

Acuité believes that FRPL will maintain a 'Stable' outlook over the medium term from its promoter's entrepreneurial experience. The outlook may be revised to 'Positive' in case the company registers healthy growth in revenues while achieving sustained improvement in operating margins, capital structure and working capital management. Conversely, the outlook may be revised to 'Negative' in case of decline in the company's revenues or profit margins, or any significant debt-funded capex leading to deterioration of its financial risk profile and liquidity.

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Actual)
Operating Income	Rs. Cr.	103.16	66.27
PAT	Rs. Cr.	3.49	1.77
PAT Margin	(%)	3.39	2.68
Total Debt/Tangible Net Worth	Times	5.29	4.71
PBDIT/Interest	Times	3.32	3.52

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>
- 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, 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
15 Jun 2023	Term Loan	Long Term	3.52	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	3.49	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Working Capital Term Loan	Long Term	7.13	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Cash Credit	Long Term	13.25	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	10.00	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	18.00	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	0.41	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Proposed Cash Credit	Long Term	9.75	ACUITE BB Stable (Assigned)
	Proposed Long Term Loan	Long Term	14.25	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	1.00	ACUITE BB Stable (Assigned)
08 Apr 2022	Working Capital Term Loan	Long Term	7.27	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	6.57	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	6.71	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Cash Credit	Long Term	4.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Cash Credit	Long Term	9.25	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Proposed Long Term Bank Facility	Long Term	22.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
02 Jul 2021	Term Loan	Long Term	8.14	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Proposed Long Term Bank Facility	Long Term	1.11	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Cash Credit	Long Term	9.25	ACUITE B+ Stable (Upgraded from ACUITE B Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	23.00	ACUITE BB 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.	Simple	16.43	ACUITE BB Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2025	Simple	0.24	ACUITE BB Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Aug 2032	Simple	13.73	ACUITE BB Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	Simple	3.18	ACUITE BB Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2025	Simple	2.45	ACUITE BB Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2032	Simple	16.89	ACUITE BB Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2025	Simple	0.18	ACUITE BB Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2030	Simple	4.70	ACUITE BB Stable Reaffirmed

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Moparthy Anuradha Devi Analyst-Rating Operations Tel: 022-49294065 moparthy.anuradha@acuite.in	Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 rating.desk@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.

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