



Press Release
Standard Retail Private Limited
December 12, 2023
Rating Reaffirmed & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB+ Reaffirmed & Withdrawn	-
Bank Loan Ratings	40.00	-	ACUITE A4+ Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	50.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn the long term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.50.00 crore bank facilities of STANDARD RETAIL PRIVATE LIMITED (SRPL).

The rating has been withdrawn on Acuite's policy of withdrawal of ratings. The rating has been withdrawn on account of the request received from the company, and the NOC received from the banker.

Rationale for the reaffirmation

The rating draws comfort from the experienced promoters, the company's long track record in the industry and moderate financial risk profile. These strengths are however, offset by the working capital-intensive in nature of operations.

About the Company

Incorporated in May 2010 by Mr. Nikunj Turakhia, Standard Retail Private Limited (SRPL) a mumbai based company is engaged in trading of various types of mild steel products viz. colour-coated coils, pre-painted galvanized iron (PPGI), hot-rolled coils, cold-rolled coils, galvanized steel, and various other types of products viz. billets, slabs, plates, sheets, electrolytic tin plates, electrolytic tin sheets, wire rod coils, electro-galvanized coils & plates, etc. SRPL is the flagship company of the Standard Group (SG) which has diversified interests across various sectors viz. steel, real estate, lighting, solar, steel servicing & aluminium, etc. The products dealt with by SRPL are sold to various steel processors & millers and wholesalers in the domestic market.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of SRPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management

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Moderate financial risk profile

The moderate financial risk profile is marked by increasing net worth, comfortable gearing and healthy debt protection metrics. The tangible net worth has increased to Rs. 103.73 Cr. as on FY2023(prov) as compared to Rs.101.18 Cr as on FY2022 due to accretion of reserves. The gearing of the company stood at 0.91 times as on FY2023(prov) as compared to 0.42 times as on FY2022. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood low at 1.49 times as on FY2023(prov) as against 1.27 times as on FY2022. The debt protection metrics of the company marked by comfortable Interest Coverage Ratio (ICR) at 2.19 times as on FY2023(prov) as compared to 2.32 times as on FY2022 and Debt Service Coverage Ratio at 1.97 times as on FY2023(prov) as compared to 2.32 times as on FY2022. Net Cash Accruals/Total Debt (NCA/TD) stood low at 0.04 times as on FY2023(prov).

Weaknesses

Working capital intensive nature of operations

The working capital-intensive nature of operations of the company is marked by high Gross Current Asset days (GCA) of 246 as on FY2023(prov) as compared to 131 days of FY2022 due to significantly changes in high other current asset which consists of other deposit, prepaid expenses material on loans etc. However, the debtor days stood comfortable at 93 days as on FY2023(prov) as compared to 66 days as on FY2022. The inventory period stood at 110 days as on FY2023(prov).

Rating Sensitivities

Not Applicable

All Covenants

Not Applicable

Liquidity Position

Adequate

The company's liquidity position is adequate marked by net cash accruals of Rs.3.92 Cr as on FY2023(prov) as against nil. long-term debt repayment during the same period. The current ratio stood at 1.74 times as on FY2023(prov), as compared to 2.09 times as on FY2022. The cash and bank balances stood at Rs. 0.02 Cr. FY2023(prov). However, the working capital-intensive nature of operations of the company is marked by Gross Current Assets (GCA) of 246 days as on FY2023(prov) as compared to 131 days as on FY2022, due to high other current asset.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	315.66	535.54
PAT	Rs. Cr.	2.49	5.20
PAT Margin	(%)	0.79	0.97
Total Debt/Tangible Net Worth	Times	0.91	0.42
PBDIT/Interest	Times	2.19	2.32

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>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.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
09 Dec 2022	Cash Credit	Long Term	10.00	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Short Term	40.00	ACUITE A4+ (Issuer not co-operating*)
29 Sep 2021	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Assigned)
	Letter of Credit	Short Term	40.00	ACUITE A4+ (Assigned)

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 Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB+ Reaffirmed & Withdrawn
Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	40.00	ACUITE A4+ 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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