



**Press Release**  
**PHYTRON MOBILITY PRIVATE LIMITED**  
**May 06, 2024**

**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	14.04	ACUITE BB   Stable   Assigned	-
Bank Loan Ratings	72.00	ACUITE BB   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	86.04	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) on Rs.72.00 Cr. of bank facilities of Phytron Mobility Private Limited (PMPL). Further Acuite has assigned the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) on Rs. 14.04 Cr. of bank facilities of Phytron Mobility Private Limited (PMPL). The outlook is '**Stable**'.

**Rationale for Rating:**

The rating assigned and reaffirmation takes into account the improvement in operating performance of the company in recent years. The rating draws comfort from the well experience promoters of the company who possess an experience of more than a decade in the dealership markets over the years. The rating also factors in the efficient working capital management by the company, considering the nature of the operations. These strengths are however partially offset by below average financial risk profile of the company marked with low net worth and high gearing of the company. Also, the company has moderately high reliance on its short term debt marked with an average utilization of its working capital limits to 82.51 percent in last twelve months ended March 2024. Also, the industry in which PMPL operates is highly competitive and has constrained operating margins as the prices are controlled by the OEMs.

**About the Company**

Haryana – Based, Phytron Mobility Private Limited incorporated in 2018. The company is engaged in automobile sector and having dealership of passenger vehicle & electric vehicle of Tata Motors Passenger Vehicles Limited. The company have two showrooms for car sales and two workshop for car service. The directors are Mr. Atishay Jain and Mr. Atul Jain.

**Unsupported Rating**

Not applicable.

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of Phytron Mobility Private Limited to arrive at this rating.

**Key Rating Drivers**

**Strengths**

Established track record of operation in industry and Experienced Management

The promoters of the company have been into the dealership business for more than a decade by acquiring dealerships over the years in other entities engaged in the same line of

business. This extensive experience of the promoter has supported the business operations of the company and is expected to continue provide support towards scaling up the business going forward by having better understanding of the industry. The current promoters of the company are Mr. Atishay Jain and Mr. Atul Jain. Furthermore, the revenue from operations of the company increased to Rs. 448.63 crore in FY2024(Prov) as against Rs.414.16 crore in FY2023. Acuité believes that the extensive experience of the management will continue to benefit PMPL, going forward, resulting in steady growth in the scale of operations.

### **Efficient Working Capital Management**

The working capital management of the company is efficient marked by GCA days of 77 days as on 31 st March 2024(Prov) as against 66 days as on 31 st March 2023. The inventory days of the company stood at 54 days as on 31 st March 2024 (Prov) against 41 days as on 31 st March 2023. Generally, the inventory holding period that the company follows is 45-60 days. Subsequently, the debtor days of the company stood at 12 days as on 31 st March 2024 (Prov) against 13 days as on 31 st March 2023. The majority of the debtor company comprises Insurance companies, Finance Companies and Corporates etc. However, the reliance company towards working capital limits remain moderately high reflected by average utilization of around ~82.51 percent in last twelve months ended March 2024. Acuite believes that the working capital operations of the company may continue to remain at similar levels going forward considering the nature of operations.

### **Weaknesses**

#### **Below Average Financial Risk Profile**

The financial risk profile of the company is below average marked by moderate net-worth of Rs.19.04 Crore as on 31 st March 2024 (Prov) against Rs.14.50 Crore as on 31 st March 2023. The marginal increase in the net-worth is on an account of accumulation of profits in reserves and treatment of unsecured loans as quasi equity. Further, the total debt of the company stood at Rs.67.30 Crore as on 31 st March 2024 (Prov) against Rs.51.65 Crore as on 31 st March 2023. The total debt of the company comprises long term debt of Rs.2.04 Crore, Short term borrowing of Rs.65.00 Crore and Current maturities of Rs.0.26 Crore as on 31st March 2024 (Prov)). The gearing ratio of the company stood high at 3.54 times as on 31 st March 2024 (Prov) against 3.56 times as on 31 st March 2023. The TOL/TNW ratio of the company stood at 4.40 times as on 31 st March 2024 (Prov) against 4.46 times as on 31 st March 2023. The interest coverage ratio and debt service coverage ratio of the company stood at 1.63 times and 1.44 times respectively as on 31 st March 2024 (Prov) against 1.96 times and 1.67 times respectively as on 31 st March 2023. Acuite believes that financial risk profile of the company may improve going forward with no major debt funded capex plan in future.

### **Highly competitive industry with price controlled by OEMs**

The companies in this dealership industry have limited operating and profitability margins as prices are controlled majorly by OEMs, depending on the volumes sold by the dealers. The fate of the companies in the industry is extremely dependent on the performance of the OEMs and their market share in the industry. The Automobile industry is very much cyclical in nature and faces a stiff competition from rivals on pricing and features. Any increases in prices by the OEMs can affect the business performance of the dealers. Further, the company faces a stiff competition from the other dealers of same OEM and any other OEMs. Acuite believes that the margins of PMPL may continue to remain at similar levels going forward due to the nature of the business.

### **Rating Sensitivities**

- Any further deterioration in financial risk profile of the company
- Any change in demand supply scenario in the automobile industry
- Improvement in scale of operations while maintaining the profitability margins

### **Liquidity Position**

#### **Adequate**

The liquidity profile of the company is adequate. The company have generated net cash accruals of Rs.3.18 Crore as on 31<sup>st</sup> March 2024 (Prov) against the nominal debt repayment

obligation in the same period. Going forward, the company is expected to generate sufficient net cash accruals (almost in the same range) against the debt repayment obligation in near to medium term. The current ratio of the company stood at 1.17 times as on 31<sup>st</sup> March 2024 (Prov) against 1.20 times as on 31<sup>st</sup> March 2023. Further, the unencumbered cash and bank balance of the company stood at Rs.2.81 Crore as on 31<sup>st</sup> March 2024 (Prov) against Rs.2.06 Crore as on 31<sup>st</sup> March 2023. The average bank limit utilization of the company stood at 82.51% in last twelve months ending March 2024. Acuite believes the liquidity profile of the company will improve in near to medium term.

**Outlook: Stable**

Acuité believes the outlook on PMPL will continue to remain 'Stable' over the medium term backed by its long track record of operations, increasing scale of operations and promising industry outlook over medium term. The outlook may be revised to 'Positive' if the company is able to significantly improve the scale of operations by acquiring the dealerships in other cities, while also maintaining its working capital operations efficiently. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the business risk profile of the OEM, leading to lower sales and thereafter affecting the financial and business risk profile of the PMPL.

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Actual)
Operating Income	Rs. Cr.	448.63	414.16
PAT	Rs. Cr.	2.60	2.36
PAT Margin	(%)	0.58	0.57
Total Debt/Tangible Net Worth	Times	3.54	3.56
PBDIT/Interest	Times	1.63	1.96

### 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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Jan 2024	Cash Credit	Long Term	2.00	ACUITE BB   Stable (Assigned)
	Ad-hoc Limits (Fund Based)	Long Term	10.00	ACUITE BB   Stable (Assigned)
	Covid Emergency Line.	Long Term	2.37	ACUITE BB   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.13	ACUITE BB   Stable (Assigned)
	Inventory Funding	Long Term	9.50	ACUITE BB   Stable (Assigned)
	Inventory Funding	Long Term	48.00	ACUITE BB   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not avl. / Not appl.	Ad-hoc Limits (Fund Based)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE BB   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2025	Simple	2.19	ACUITE BB   Stable   Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	9.50	ACUITE BB   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	48.00	ACUITE BB   Stable   Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.50	ACUITE BB   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.31	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	1.00	ACUITE BB   Stable   Assigned
Bank of Baroda	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.09	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.10	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.05	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.11	ACUITE BB   Stable   Assigned

Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.05	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.04	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.05	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.05	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.04	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.05	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.03	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.05	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.04	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.04	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	02 Dec 2024	Simple	0.04	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Nov 2023	Not avl. / Not appl.	02 May 2024	Simple	0.19	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Nov 2023	Not avl. / Not appl.	02 May 2024	Simple	0.19	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Sep 2023	Not avl. / Not appl.	02 Mar 2025	Simple	0.05	ACUITE BB   Stable   Assigned
Tata	Not							



Motors Finance Limited	avl. / Not appl.	Term Loan	02 Sep 2023	Not avl. / Not appl.	02 Mar 2025	Simple	0.05	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Sep 2023	Not avl. / Not appl.	02 Mar 2025	Simple	0.05	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Sep 2023	Not avl. / Not appl.	02 Mar 2025	Simple	0.05	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Sep 2023	Not avl. / Not appl.	02 Mar 2025	Simple	0.06	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Sep 2023	Not avl. / Not appl.	02 Mar 2025	Simple	0.06	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Oct 2023	Not avl. / Not appl.	02 Apr 2025	Simple	0.12	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Oct 2023	Not avl. / Not appl.	02 Apr 2025	Simple	0.10	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Oct 2023	Not avl. / Not appl.	02 Apr 2025	Simple	0.09	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Oct 2023	Not avl. / Not appl.	02 Apr 2025	Simple	0.12	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Oct 2023	Not avl. / Not appl.	02 Apr 2025	Simple	0.10	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Oct 2023	Not avl. / Not appl.	02 Apr 2025	Simple	0.10	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Nov 2023	Not avl. / Not appl.	02 May 2025	Simple	0.19	ACUITE BB   Stable   Assigned
Tata Motors Finance Limited	Not avl. / Not appl.	Term Loan	02 Nov 2023	Not avl. / Not appl.	02 May 2025	Simple	0.19	ACUITE BB   Stable   Assigned

## Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 <a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a>  Depanshi Mittal Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:depanshi.mittal@acuite.in">depanshi.mittal@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### 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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