Rating Update

May 06, 2025 | Mumbai

Tokyo Plast International Limited

Update as on May 06, 2025

This update is provided in continuation of the rating rational below.

The key rating sensitivity factors for the rating include:

Upward factors:

- Sustained increase in revenue while maintaining operating margin, leading to cash accrual of more than Rs 5 crore.
- Improvement in working capital cycle.

Downward factors:

- Steep decline in revenue or fall in operating profitability below 3% leading lower-than-expected cash accrual.
- Stretch in working capital cycle or any large, debt-funded capex weakening capital structure.

Crisil Ratings has a policy of keeping its accepted ratings under constant and ongoing monitoring and review. Accordingly, Crisil Ratings seeks regular updates from companies on the business and financial performance. Crisil Ratings is, however, awaiting adequate information from Tokyo Plast International Limited (TPIL) which will enable us to carry out the rating review. Crisil Ratings will continue provide updates on relevant developments from time to time on this credit.

Crisil Ratings also identifies information availability risk as a key credit factor in the rating assessment as outlined in its criteria ‘Information Availability Risk in Credit Ratings’.

About the Company

TPIL was set up in 1992 by Mr Velji Shah and manufactures all types of plastic thermoware products, including lunch boxes, ice cooler boxes, and ice jugs at its facilities in Daman and Kandla in Gujarat. It markets these under the Pinnacle brand. Majority of the company’s revenue comes from exports.

Please note: This advisory should not be construed as a rating reaffirmation.

Note for Media:
This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to Crisil Ratings. However, Crisil Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)

Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

Crisil Ratings Limited ('Crisil Ratings') is a wholly-owned subsidiary of Crisil Limited ('Crisil'). Crisil Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.Crisilratings.com

About Crisil Limited

Crisil is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.Crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

Please note: This advisory should not be construed as a rating reaffirmation.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by Crisil Ratings Limited ('Crisil Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as Crisil Ratings providing or intending to provide any services in jurisdictions where Crisil Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between Crisil Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from Crisil Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. Crisil Ratings assumes no obligation to update its opinions following publication in any form or format although Crisil Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. Crisil Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither Crisil Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'Crisil Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no Crisil Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH Crisil RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any Crisil Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

Crisil Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by Crisil Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.Crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by Crisil Ratings are available here: www.Crisilratings.com.

Crisil Ratings and its affiliates do not act as a fiduciary. While Crisil Ratings has obtained information from sources it believes to be reliable, Crisil Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. Crisil Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. Crisil Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: https://www.Crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html.

Please note: This advisory should not be construed as a rating reaffirmation.

Rating criteria by Crisil Ratings are generally available without charge to the public on the Crisil Ratings public website, www.Crisilratings.com. For latest rating information on any instrument of any company rated by Crisil Ratings, you may contact the Crisil Ratings desk at Crisilratingdesk@Crisil.com, or at (0091) 1800 267 1301.

Crisil Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on Crisil Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: https://www.Crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html

Please note: This advisory should not be construed as a rating reaffirmation.

Rating Rationale

March 22, 2024 | Mumbai

Tokyo Plast International Limited

Ratings reaffirmed at 'CRISIL BB+/Stable/CRISIL A4+'

Rating Action

Total Bank Loan Facilities Rated	**Rs.28 Crore**
Long Term Rating	**CRISIL BB+/Stable (Reaffirmed)**
Short Term Rating	**CRISIL A4+ (Reaffirmed)**

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed rationale
CRISIL Ratings has reaffirmed its ratings on the bank facilities of Tokyo Plast International Ltd (TPIL) at 'CRISIL BB+/Stable/CRISIL A4+'.

The ratings continue to reflect the established market position of the company, extensive experience of its promoters in the household plastic products industry, and comfortable financial risk profile. These strengths are partially offset by modest scale and working capital-intensive operations.

Analytical approach
CRISIL Ratings has revised its analytical approach and taken a standalone view for assessing the credit risk profile of TPIL. CRISIL Ratings had earlier combined the business and financial risk profiles of TPIL, Tokyo Plast Global FZE and Vimalnath Impex FZE, the analytical approach is revised driven by shutting down of both the companies.

Key rating drivers & detailed description
Strengths:

- **Extensive experience of the promoter:** Industry presence of over four decades has enabled the promoter to establish strong relationships with customers and suppliers and develop healthy recall for its brand, Pinnacle. The company derives around 85% of its revenue from the USA, Australia, Europe and Africa.

  Continuous product development has led to a diversified portfolio and wide geographical presence. Revenue was Rs 49.4 crore till December 2023, but is expected to moderate due to slowdown in demand from the overseas markets.

- **Comfortable financial risk profile:** Networth was comfortable at Rs 58.8 crore as on March 31, 2023, while low reliance on debt has led to a strong gearing of below 0.30 time for the three fiscals ended March 31, 2023; gearing is estimated at 0.25 time as on March 31, 2024. Debt protections metrics of the company are comfortable with interest coverage ratio estimated to be over 4.5 times and net cash accrual to adjusted debt around 0.29 time for fiscal 2024.

Weaknesses:

- **Moderate scale of operations:** Despite having an industry presence of three decades the scale of operations of the company continues to remain moderate and range bound between Rs 60-80 Cr for the past five fiscal years ended fiscal 2023. Increase in scale of operations with sustenance of operating margins at current level will be a key rating sensitivity factor.

- **Working capital intensive nature of operations:** Although on an improving trend, operations of the company remain working capital intensive as reflected in gross current assets of 216 days as on March 31, 2023 as against 258 days a year earlier.

  The improvement in GCAs was driven by reduction in debtor days from 76 to 64 driven by change in credit terms. Inventory has remained high at 100-120 days over the past few fiscals. The working capital requirements are met by creditors and internal accruals.

Liquidity: Adequate

In the absence of any debt obligation, estimated net cash accrual of Rs 4 crore in fiscal 2024 will support liquidity. Fund-based limit was utilized at an average of 47% for the 12 months through January 2024. Capital expenditure to expand manufacturing facility will be funded through internal accrual and debt.

Outlook: Stable
The company will continue to benefit from the extensive experience of its promoters.

Rating sensitivity factors
Upward factors

- Sustained increase in revenue while maintaining operating margin, leading to cash accrual of more than Rs 5 crore.
- Improvement in working capital cycle.

Downward factors

- Steep decline in revenue or fall in operating profitability below 3% leading lower-than-expected cash accrual.
- Stretch in working capital cycle or any large, debt-funded capex weakening capital structure.

About the company
TPIL was set up in 1992 by Mr Velji Shah and manufactures all types of plastic thermoware products, including lunch boxes, ice cooler boxes, and ice jugs at its facilities in Daman and Kandla in Gujarat. It markets these under the Pinnacle brand. Majority of the company's revenue comes from exports.

Key financial indicators

As on / for the period ended March 31		2023	2022
Operating income	Rs crore	75.53	79.93
Reported profit after tax (PAT)	Rs crore	-0.12	-0.15
PAT margin	%	-0.16	-0.19
Adjusted debt/adjusted networth	Times	0.19	0.26
Interest coverage	Times	3.42	2.96

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity levels	Rating assigned with outlook
NA	Cash Credit	NA	NA	NA	3.5	NA	CRISIL BB+/Stable
NA	Pre Shipment Packing Credit	NA	NA	NA	16.5	NA	CRISIL BB+/Stable
NA	Proposed Fund Based Bank limits	NA	NA	NA	5	NA	CRISIL BB+/Stable
NA	Letter of Credit	NA	NA	NA	3	NA	CRISIL A4+

Annexure - Rating History for last 3 Years

	Current			2024 (History)		2023		2022		2021		Start of 2021
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	25.0	CRISIL BB+/Stable		--		--	23-12-22	CRISIL BB+/Stable		--	--
Non-Fund Based Facilities	ST	3.0	CRISIL A4+		--		--	23-12-22	CRISIL A4+		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	3.5	The Federal Bank Limited	CRISIL BB+/Stable

Letter of Credit	3	The Federal Bank Limited	CRISIL A4+
Pre Shipment Packing Credit	16.5	The Federal Bank Limited	CRISIL BB+/Stable
Proposed Fund-Based Bank Limits	5	Not Applicable	CRISIL BB+/Stable

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings
CRISILs Approach to Financial Ratios
Rating criteria for manufaturing and service sector companies
Understanding CRISILs Ratings and Rating Scales

Media Relations	Analytical Contacts	Customer Service Helpdesk
Aveek Datta Media Relations **CRISIL Limited** M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com **Prakruti Jani** Media Relations **CRISIL Limited** M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com **Rutuja Gaikwad** Media Relations **CRISIL Limited** B: +91 22 3342 3000 **Rutuja.Gaikwad@ext-crisil.com**	Jaya Mirpuri Director **CRISIL Ratings Limited** B:+91 22 3342 3000 jaya.mirpuri@crisil.com Rushabh Pramod Borkar Associate Director **CRISIL Ratings Limited** D:+91 22 3342 3390 rushabh.borkar@crisil.com Hetvi Shailesh Darji Rating Analyst **CRISIL Ratings Limited** B:+91 22 3342 3000 Hetvi.Darji@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

Note for Media:
This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by CRISIL Ratings Limited ('CRISIL Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: www.crisilratings.com.

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. CRISIL Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html.

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public website, www.crisilratings.com. For latest rating information on any instrument of any company rated by CRISIL Ratings, you may contact the CRISIL Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html