August 10, 2026

Tojo Vikas International Private Limited: Ratings assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term/Short term – Fund based – Working Capital facilities	75.00	[ICRA]A-(Stable)/[ICRA]A2+; assigned	RBI
Long term – Fund based - Term loan	26.00	[ICRA]A-(Stable); assigned	RBI
Total	**101.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments, which fall under the regulatory purview of financial sector regulators other than SEBI.

Rationale

The ratings assigned to the bank lines of Tojo Vikas International Private Limited (TVIPL/The company) factor in its established presence in the flavours and fragrance industry, supported by the extensive experience of the promoters, the long-term supply contracts with leading F&F global players and a healthy financial risk profile. TVIPL operates in two core business segments: mentha derivatives and biotech. The company manufactures customised mentha oil derivatives at its facility in Hapur, Uttar Pradesh, located within India's prime mint-growing belt, while its Nashik unit produces high-value natural aroma molecules through the biotechnology route. There has been a steady growth in the company's scale of operations in the past few years, supported by ramp-up in the biotech business which benefits from the long-term contractual agreements with leading global F&F players.

Despite a slowdown in the mentha derivatives segment in FY2026, the offtake in the biotech segment remained strong and drove the revenue growth and profitability. TVIPL has been able to forge strong client relationships with global F&F players, corroborated by long-term contracts with these clients. The company's financial profile continues to be strong, characterised by comfortable debt protection metrics and healthy return indicators.

ICRA expects the profitability to remain healthy over the near to medium term, supported by its comfortable operating performance and limited exposure to raw material fluctuation risks. ICRA further continues to take note of a competent management team, comprising promoters with over four decades of industry experience. In addition, given that the company is largely export-oriented, its profitability remains exposed to the volatility in foreign exchange prices, mitigated by the natural hedge provided by raw material imports through long-term contractual agreements.

The ratings, however, are constrained by high customer and product concentration risk. The company derives majority of its revenue from sales to one of the leading global F&F players with the top 10 customers contributing 96% to the revenue in FY2026. The product concentration also remained high with the top 5 products accounting for 85% of the revenue in FY2026. The product concentration increased in FY2026 as the company's non-biotech revenues moderated due to the US tariffs which impacted offtake in the US markets. As the tariffs have now rationalised, the company is expected to witness healthy offtake from the US market which will reduce customer and product concentration to some extent although it will still remain significant.

The company is also working towards onboarding new customers as well as launching new products which should support customer and product diversification going forward and will be a key monitorable. TVIPL operates in a highly competitive F&F industry with stringent quality requirements. The company's distillation-based product portfolio remains exposed to a fragmented industry structure and strong buying power of the customers.

The Stable outlook on TVIPL's rating reflects ICRA's opinion that the company will continue to benefit from its established position as a supplier of aroma molecules in the export markets.

Key rating drivers and their description

Credit strengths

Established presence in F&F industry, supported by extensive experience of the promoters - The company has an experienced management, led by Mr. Vikas Rishi, Managing Director, who has over four decades of industry experience and has played a key role in expanding TVIPL's footprint from a traditional ingredient manufacturer into a biotechnology-focused speciality ingredients company. The experience of the promoters and their strong industry connect has enabled TVIPL to source supply contracts from a global major F&F players. The company is also present in the specialty mint F&F segment wherein it manufactures specialised formulations for exports.

Healthy revenue growth over the past few years, backed by agreements with major F&F players - The company has reported steady revenue growth over the years, supported by increasing demand, higher sales volumes and the gradual scale-up of its biotechnology business, which has emerged as a key growth driver. TVIPL's operating income recorded a CAGR of 28.3% between FY2022 and FY2026, increasing to Rs. 406.8 crore in FY2026 from Rs. 360.9 crore in FY2025. Further, in Q1 FY2027, the company posted a revenue of Rs. 135 crore vis-à-vis Rs. 90 crore in Q1 FY2026, a YoY growth of 50%. The revenue growth has been accompanied by expansion in the earnings with the OPBDITA growing to Rs. 50.2 crore in FY2026 from Rs. 14.8 crore in FY2023. The overall working capital intensity has also improved with the rising share of fermentation-based product sales. Consequently, the net working capital intensity (NWC/OI) moderated to ~20.3% in FY2026 from ~55% in FY2023, when the business was predominantly focused on mint derivatives that require sizeable inventory levels. Following the supply agreements with a global F&F player the key raw materials for fermentation-based products are supplied by the customer, resulting in relatively low inventory holding period of around one month and easing pressure on the working capital cycle. Going forward, the revenue growth is expected to be healthy, supported by the ramp-up of existing products under the current contracts as well as the onboarding of new customers. In FY2026, the mint-based derivatives business was adversely impacted by the hike in US tariffs with customers in the US reducing orders to avoid the tariff burden. TVIPL faced sale loss during this elevated tariff period but now the sales have resumed and will support revenue growth in FY2027.

Comfortable credit metrics - The company's capital structure remained comfortable during the year as the gearing stood at 0.6x in FY2026 compared with 0.7x in FY2025, while the total debt to OPBDITA was 1.5x in FY2026 compared with 1.4 times in FY2025. Recently, a long-term debt of Rs. 20 crore has been sanctioned for the company's ongoing capex for setting up a new Nashik plant. The company has also availed a short-term borrowing of Rs. 61.2 crore as on March 31, 2026. The interest cover has improved over the years with an increase in OPBDITA and stood at 7.2x in FY2026 vis-à-vis 5.8x in FY2025. Going forward, the credit metrics are expected to improve further with the rising scale of operations, modest capex plans and a stable working capital cycle.

Credit challenges

Product and customer concentration remains high - TVIPL caters to several leading global F&F companies. However, given the concentrated nature of the industry and the company's strong relationships with a few large customers, its revenue profile remains exposed to customer concentration risk. This is primarily driven by contractual sales to major multinational customers which comprise of global F&F players. Accordingly, the contribution of the top 10 customers has remained high at 85–95% of the total revenue over the years and further increased to 96% in FY2026. To mitigate this risk, the company has been focusing on broadening its customer base through the addition of new contracts and expanding its product portfolio to cater to customers across a wider range of end-use industries. The customer and product concentration is expected to moderate slightly, given the onboarding of new customers and the expected ramping up of the mint derivatives business in FY2027. Nevertheless, the credit profile of the customers remains comfortable and, as indicated by the management, TVIPL meets nearly 80% of the demand of its highest revenue contributing customer, for the product it supplies.

Presence in highly competitive industry - TVIPL is present in the specialty F&F segment which remains highly competitive as the suppliers vie for the same set of large customers. Additionally, the pressure from Chinese suppliers who are known to operate at a large scale results in occasional pricing pressures. In the distillation-based product segment, the competitive intensity is much higher, given the commoditised nature of the products.

Liquidity position: Adequate

The company's liquidity position is expected to remain adequate, supported by cash and bank balances to the tune of Rs. 31.2 crore (Prov) and Rs. 29 crore (Prov) as of March 31, 2026 and June 30, 2026 respectively. ICRA expects the company's liquidity position to remain comfortable considering healthy net cash accruals on account of steady margin profile of the entity with debt repayment obligations to the tune of Rs. 4-5 crore per annum. Further, there is adequate cushion available in the working capital limits given the utilisation trend. The company has moderate capex plans which can be comfortably funded through internal accruals.

Rating sensitivities

Positive factors – The rating could be upgraded in case of significant scale up in the revenues and earnings of the company, along with improvement in product and customer diversification while maintaining healthy credit metrics.

Negative factors – The rating could witness a downward revision in case of sustained deterioration of the revenue and earnings resulting in the moderation in the liquidity and credit profiles. Materially large debt funded capex resulting in moderation of the credit metrics will remain a key monitorable. The interest coverage ratio falling below 4.0x on a sustained basis may result in a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Chemicals
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

About the company

Tojo Vikas International Private Limited (Tojo), incorporated on May 4, 1999, is a leading manufacturer and exporter of specialty flavour and fragrance (F&F) ingredients, catering to reputed global F&F companies across more than 20 countries. Founded by Mr. Rajeev Rishi and currently led by Mr. Vikas Rishi as Managing Director, the company manufactures over 30 aroma ingredients through the distillation, fractionation, and isolation processes.
Tojo operates manufacturing facilities in Masuri (Ghaziabad, Uttar Pradesh), Nashik (Maharashtra), and Gujarat, supported by dedicated R&D centres focused on product innovation and process development. The company is also expanding its biotechnology capabilities to develop sustainable, high-value natural aroma molecules, strengthening its position in the global F&F industry. In addition to its core aroma chemicals business, Tojo has a geophysical division that provides specialised consultancy services in geophysical, hydrographic and topographic investigations and project consultancy. The company has established a strong presence in the international F&F ingredients market through long-standing relationships with global customers, continuous capacity expansion and a growing biotech portfolio.

Key financial indicators (audited)

Tojo Vikas International Private Limited (standalone)	FY2025	FY2026*
Operating income	360.9	406.8
PAT	26.7	34.3
OPBDITA/OI	12.6%	12.3%
PAT/OI	7.4%	8.4%
Total outside liabilities/tangible net worth (times)	1.4	1.5
Total debt/OPBDITA (times)	1.4	1.5
Interest coverage (times)	5.8	7.2

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore.
*PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; *Provisional financials*

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating(FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	August 10, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based - Term loan	Long term	26.00	[ICRA]A-(Stable)	-	-	-	-	-	-
Fund based – Working Capital facilities	Long term/Short term	75.00	[ICRA]A-(Stable)/[ICRA]A2+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term – Fund based – Working Capital facilities	Simple
Long term – Fund based - Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance / sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
NA	Working Capital facilities	NA	NA	NA	65.0	[ICRA]A-(Stable)/[ICRA]A2+	RBI
NA	Working Capital facilities-Proposed	NA	NA	NA	10.0	[ICRA]A-(Stable)/[ICRA]A2+	RBI
NA	Term Loans	NA	NA	FY2029	21.0	[ICRA]A-(Stable)	RBI
NA	Term Loans-Proposed	NA	NA	NA	5.0	[ICRA]A-(Stable)	RBI

Source: Company

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Please Click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis-NA

ANALYST CONTACTS

Girishkumar Kashiram Kadam
+91 22 6114 3406
girishkumar@icraindia.com

Varun Gogia1
+91 124 4545 823
varun.gogia1@icraindia.com

Prashant Vasisht
+91 124 4545 322
prashant.vasisht@icraindia.com

Mohika kundara
+91 124 4545 302
mohika.kundara@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches