



**Press Release**  
**TANFAC INDUSTRIES LIMITED**  
**September 17, 2025**  
**Rating Upgraded & Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	22.00	ACUITE A+   Upgraded & Withdrawn	-
Bank Loan Ratings	10.00	Not Applicable   Withdrawn	-
Bank Loan Ratings	58.00	-	ACUITE A1+   Upgraded & Withdrawn
Bank Loan Ratings	10.00	-	Not Applicable   Withdrawn
<b>Total Outstanding Quantum (Rs. Cr)</b>	0.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	100.00	-	-

**Rating Rationale**

Acuite has upgraded and withdrawn long-term rating to '**ACUITE A+**' (read as **ACUITE A plus**) from '**ACUITE A**' (read as **ACUITE A**) and short-term rating to '**ACUITE A1+**' (read as **ACUITE A one plus**) from '**ACUITE A1**' (read as **ACUITE A one**) on the Rs.80.00 crore bank facilities of Tanfac Industries Limited (TIL). The rating has been withdrawn on account of the request received from the issuer along with no objection certificate received from the banker.

Further, Acuite has withdrawn the long term and short term rating on the Rs.20.00 Cr. bank loan facilities of Tanfac Industries Limited (TIL) without assigning any rating as it is a proposed facility. The rating has been withdrawn on account of the request received from the issuer.

The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

**Rationale for Rating**

The upgrade in rating is based on the improvement in the company's revenue, which grew by approximately 47% to Rs. 557.28 Cr. in FY2025 from Rs. 378.23 Cr. in FY2024. The improvement in revenue is due to increase in the volume sales of Hydrofluoric acid. The operating margin of the company stood at 23.57% in FY25 against 19.03% in FY24. The improvement in the operating margin of the company is due to the decrease in raw material prices. The rating also considers the company's strong liquidity position, which is reflected in its sufficient net cash accruals and a healthy current ratio. Additional positive factors include an experienced management team and a healthy financial risk profile. However, the rating is constrained basis the company being in a competitive and fragmented industry with multiple mid-size to large size players. Further the company is dealing in hazardous products which have its own challenges.

**About the Company**

TIL was incorporated in 1972 by Tamil Nadu Industrial Development Corporation (TIDCO) as a joint sector company along with Mr. L. Narayanan Chettiar. In 1980, Aditya Birla Group (ABG) bought out the 25.00 percent stake from Mr. Chettiar, thereby becoming the co-promoter of TIL. However, in March 2022, Anupam Rasayan India Limited (ARIL) acquired Birla Group Holdings Private Limited's stake and became the co-promoter of the company with TIDCO. TIL is engaged in the manufacturing of inorganic fluorine-based chemicals such as Anhydrous Hydrofluoric acid, Sulphuric Acid, Oleum, Aluminium Fluoride, Potassium Fluoride, Potassium Bifluoride, Boron Trifluoride Complexes, Calcium Sulphate (Gypsum), IsoButyl Acetophenone, Acetic Acid, Peracetic Acid and Poly Aluminium Chloride, etc. TIL is listed on the Bombay Stock Exchange (BSE). Currently

the company is managed by Mr. Ramachandran Karthikeyan, Mr. Afzal Harunbhai Malkani, Ms. Mariam Pallavi Baldev, Mr. Ravindra Kumar Tyagi, Mr. Amreek Singh Sandhu and Ms. Anuradha Reddy Mallidi.

## Unsupported Rating

Not Applicable

## Analytical Approach

Acuité has considered the standalone business and financial risk profiles of the TIL to arrive at this rating.

## Key Rating Drivers

### Strengths

#### Long track record of operations and experienced management

TIL was incorporated in 1972 as a joint sector company between Tamil Nadu Industrial Development Corporation (TIDCO) and Mr. L. Narayanan Chettiar. In 1980, Aditya Birla Group, an India multinational conglomerate invested in TIL, thereby acquiring 25.00 percent stake from Mr. Chettiar. The management control of the company was vested with Aditya Birla Group (ABG).

However, Aditya Birla Group Holdings Private Limited sold its stake to Anupam Rasayan India Limited (ARIL) in March 2022, resultantly making ARIL the co-promoter along with TIDCO of TIL. The company is engaged in the manufacturing of inorganic fluorine-based chemicals which have vital applications in industries such as aluminium smelting, petroleum refining, refrigerant gases, steel re-rolling, glass, ceramics, sugar, fertilizers, and heavy water. Its manufacturing facility is situated at Cuddalore. Furthermore, the company has well established operations with senior management and directors who have decades of experience in the aforementioned line of business. Over the years, the company has established a reputation in the chemical industry. TIL is a public company listed on the Bombay Stock Exchange.

#### Improvement in scale of operations

The company has witnessed the growth in the revenue from operations by ~47% which stood at Rs. 557.28 Cr. in FY 25 against Rs. 378.23 Cr. in FY 24. The improvement in revenue is due to increase in the volume sales of Hydrofluoric acid. Operating margin of the company stood at 23.57% in FY25 against 19.03% in FY24. The improvement in the operating margin of the company is due to the decrease in raw material prices. The Net margin stood at 15.82% in FY25 against 13.88% in FY24. Additionally, company has achieved the revenue of Rs. 176.00 Cr. with the EBIDTA margin of 16.46% in Q1FY26 against the revenue of Rs. 95.35 Cr. with the EBITDA margin of 14.02% in Q1FY25.

#### Healthy Financial Risk Profile

TIL's financial risk profile continued to remain healthy marked by healthy net worth, low gearing and healthy debt protection metrics. The net worth of the company stood at Rs. 311.97 crore as on March 31, 2025 against Rs. 230.45 crore as on March 31, 2024. The improvement is on account of accretion of profit to reserves. The gearing of the company stood at 0.13 times as on March 31, 2025. Interest coverage ratio stood at 28.00 times for FY25 as against 41.97 times in FY24. Debt Service coverage ratio stood at 21.61 times for FY25 as against 32.63 times in FY24. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 0.37 times as on March 31, 2025 as against 0.31 times as on March 31, 2024. The Net Cash Accruals/Total Debt (NCA/TD) stood at 2.38 times as on March 31, 2025.

### Weaknesses

#### Intensive Working capital operations

The working capital operations of the company is intensive marked by GCA days of 147 days in FY25 against 123 days in FY24. There is an increase in the GCA days due to the inventory days of the company which stood at 77 days in FY25 against 70 days in FY24, debtors days of the company stood at 66 days in FY25 against 60 days in FY24. However, creditor days stood at 45 days in FY25 against 72 days in FY24.

#### Competitive and fragmented industry

The company is in the chemical compounds sector and faces intense competition marked by the presence of several mid to large size players. The company faces intense competition from peers and international players. However, this risk is mitigated to an extent as the company is operating in this environment for almost five decades now and the company has an established track record and a brand name.

### Rating Sensitivities

Not Applicable

### Liquidity Position

#### Strong

The liquidity profile of the company is strong. The net cash accruals of company stood at Rs. 98.61 Cr. in FY 25 against nil debt obligation. The company has cash & bank position of Rs. 23.53 Cr. and current ratio stood at 2.18 times for FY 25. The average fund based bank limit utilization is nil and non-fund based bank limit utilization is at

79.29% for the 9 months' period ending May 2025.

**Outlook: Not Applicable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	557.28	378.23
PAT	Rs. Cr.	88.15	52.48
PAT Margin	(%)	15.82	13.88
Total Debt/Tangible Net Worth	Times	0.13	0.00
PBDIT/Interest	Times	28.00	41.97

**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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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
30 Jul 2024	Cash Credit	Long Term	13.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE A   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	10.00	ACUITE A   Stable (Reaffirmed)
	Letter of Credit	Short Term	44.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	9.00	ACUITE A1 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	10.00	ACUITE A1 (Reaffirmed)
20 Mar 2024	Cash Credit	Long Term	5.00	ACUITE A   Stable (Upgraded from ACUITE A-   Positive)
	Cash Credit	Long Term	4.00	ACUITE A   Stable (Upgraded from ACUITE A-   Positive)
	Proposed Term Loan	Long Term	10.00	ACUITE A   Stable (Upgraded from ACUITE A-   Positive)
	Cash Credit	Long Term	13.00	ACUITE A   Stable (Upgraded from ACUITE A-   Positive)
	Letter of Credit	Short Term	44.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Letter of Credit	Short Term	9.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Proposed Short Term Bank Facility	Short Term	10.00	ACUITE A1 (Upgraded from ACUITE A2+)
21 Dec 2022	Cash Credit	Long Term	13.00	ACUITE A-   Positive (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A-   Positive (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE A-   Positive (Reaffirmed)
	Proposed Term Loan	Long Term	10.00	ACUITE A-   Positive (Reaffirmed)
	Letter of Credit	Short Term	44.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	9.00	ACUITE A2+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	10.00	ACUITE A2+ (Reaffirmed)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE A+   Upgraded & Withdrawn ( from ACUITE A )
IDBI Bank Ltd.	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A+   Upgraded & Withdrawn ( from ACUITE A )
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE A+   Upgraded & Withdrawn ( from ACUITE A )
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	44.00	Simple	ACUITE A1+   Upgraded & Withdrawn ( from ACUITE A1 )
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A1+   Upgraded & Withdrawn ( from ACUITE A1 )
IDBI Bank Ltd.	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE A1+   Upgraded & Withdrawn ( from ACUITE A1 )
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	Not Applicable Withdrawn

## Contacts

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### About Acuité Ratings & Research

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