



**Press Release**  
**Tirupati Foam Limited**  
**August 21, 2024**

**Rating Downgraded, Reaffirmed, Withdrawn & Issuer Not Cooperating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Ratings</b> <b>Loan</b>	31.02	ACUITE BB   Downgraded & Withdrawn   Issuer not co-operating*	-
<b>Bank Ratings</b> <b>Loan</b>	7.23	-	ACUITE A4+   Reaffirmed & Withdrawn   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	0.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	38.25	-	-

**Rating Rationale**

Acuite has downgraded and withdrawn the long-term rating at '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and reaffirmed and withdrawn the short-term rating at '**ACUITE A4+**' (read as **ACUITE A Four plus**) on Rs. 38.25 crore bank facilities of Tirupati Foam Limited.

The rating is now flagged as "Issuer Not Cooperating" on account of information risk and is based on the best available information, and is downgraded on account of information risk. The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company and the NOC(No Objection Certificate) received from the banker.

**About the Company**

Tirupati Foam Limited, incorporated in 1986, is engaged in manufacturing of Polyurethane (PU) foam and their articles such as mattress, cushions, pillow amongst others. The company sells its

products under the brand name 'Sweet Dream'. The registered office of the company is located at Ahmedabad, Gujarat and the manufacturing units are located at Khatraj, Gujarat and Noida, Uttar Pradesh. The company is promoted by Mr. Roshan P. Sanghavi (Managing Director) and other directors Mr. Satishkumar A. Mehta and Mr. Deepakkumar T. Mehta who possess more than three decades of extensive experience in the PU foam industry.

### **Unsupported Rating**

Not Applicable

### **Non-cooperation by the issuer/borrower**

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and non-

cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

### **Limitation regarding information availability**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### **Rating Sensitivities**

No information provided by the issuer / available for Acuite to comment upon.

### **Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon.

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	103.99	101.65
PAT	Rs. Cr.	2.10	1.90
PAT Margin	(%)	2.02	1.87
Total Debt/Tangible Net Worth	Times	1.33	1.65
PBDIT/Interest	Times	2.00	2.02

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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. 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
30 May 2023	Working Capital Demand Loan (WCDL)	Long Term	1.77	ACUITE Not Applicable (Withdrawn)
	Proposed Long Term Bank Facility	Long Term	3.98	ACUITE Not Applicable (Withdrawn)
	Bank Guarantee/Letter of Guarantee	Short Term	0.08	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	7.15	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BB+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	3.25	ACUITE BB+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	2.15	ACUITE BB+   Stable (Reaffirmed)
	Term Loan	Long Term	0.62	ACUITE BB+   Stable (Reaffirmed)
04 Mar 2022	Cash Credit	Long Term	25.00	ACUITE BB+   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.63	ACUITE BB+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	4.37	ACUITE BB+   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	1.77	ACUITE BB+   Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	0.08	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	7.15	ACUITE A4+ (Reaffirmed)

## 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 avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.08	ACUITE A4+   Reaffirmed & Withdrawn   Issuer not co-operating*
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	25.00	ACUITE BB   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE BB+ )
Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	7.15	ACUITE A4+   Reaffirmed & Withdrawn   Issuer not co-operating*
Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.62	ACUITE BB   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE BB+ )
Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.25	ACUITE BB   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE BB+ )
Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.15	ACUITE BB   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE BB+ )

## Contacts

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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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