



Press Release
Thangavel Fabrics Private Limited
May 07, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	18.25	ACUITE C Downgraded Issuer not co-operating*	-
Bank Loan Ratings	21.93	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	40.18	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BB**' (read as **ACUITE double B**) and short-term to '**ACUITE A4** (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.40.18 Cr. bank facilities of Thangavel Fabrics Private Limited (TFPL).

The rating downgrade is on the account of delays reflected in Credit Bureau Information Report of the company. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

Erode based, Thangavel Fabrics Private Limited (TFPL), is engaged in manufacture of linen fabric, viscose fabric and pure cotton yarn. TFPL was Incorporated in January 2005, by merging four proprietorship concerns promoted by Mr. A. Thangavel. These proprietorship concerns were engaged in manufacture of fabric since 1975. Currently, the company has three manufacturing units in Erode, Tamil Nadu with a total weaving capacity of 81 auto looms (approximately 25,000 meters per day). The promoters of the company are Mr. A. Thangavel, Mr. T. Vijayaragavan, Mr. J. V. Thangavel and Mr. T. Thangamani. The promoters, family and friends collectively hold 100% shareholding in the company.

Unsupported Rating

Not applicable

Non-cooperation by the issuer/borrower:

Acuite 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. Acuite believes that information risk is a critical component in such ratings, and noncooperation 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 Acuite'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). Acuite has endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative

credit rating is based.

Rating Sensitivity

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 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	44.37	71.00
PAT	Rs. Cr.	0.58	0.95
PAT Margin	(%)	1.31	1.33
Total Debt/Tangible Net Worth	Times	1.21	1.20
PBDIT/Interest	Times	1.62	1.81

Status of non-cooperation with previous CRA

Not applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- 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>

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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 May 2023	Bills Discounting	Short Term	2.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	0.30	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Proposed Short Term Bank Facility	Short Term	13.63	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	3.25	ACUITE BB (Reaffirmed & Issuer not co-operating*)
27 Apr 2022	Cash Credit	Long Term	15.00	ACUITE BB Stable (Upgraded from ACUITE D)
	Term Loan	Long Term	3.25	ACUITE BB Stable (Upgraded from ACUITE D)
	Bills Discounting	Short Term	2.00	ACUITE A4+ (Upgraded from ACUITE D)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Upgraded from ACUITE D)
	Bank Guarantee/Letter of Guarantee	Short Term	0.30	ACUITE A4+ (Upgraded from ACUITE D)
	Proposed Short Term Bank Facility	Short Term	13.63	ACUITE A4+ (Upgraded from ACUITE D)
28 Jun 2021	Term Loan	Long Term	7.40	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable)
	Proposed Long Term Bank Facility	Long Term	0.18	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable)
	Letter of Credit	Short Term	9.00	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Cash Credit	Long Term	15.00	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable)
	Bills Discounting	Short Term	8.30	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	0.30	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE A4+)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
DBS Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.30	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
DBS Bank Ltd	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
DBS Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BB)
DBS Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.00	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	13.63	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
DBS Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.25	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BB)

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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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