



**Press Release**  
**Tirupur Textiles Private Limited**  
**June 03, 2024**  
**Rating Downgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	76.00	ACUITE C   Downgraded	-
Total Outstanding Quantum (Rs. Cr)	76.00	-	-

**Rating Rationale**

Acuité has downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**Acuite B+**' (read as **Acuite B plus**) on the Rs.76.00 Cr bank facilities of TIRUPUR TEXTILES PRIVATE LIMITED (TTPL).

**Rationale for rating downgrade**

The rating downgrade takes cognizance of delays in servicing debt obligations as understood from credit bureau information report of the company.

**About the Company**

Based in Tamil Nadu, Tirupur Textiles Private Limited was incorporated in 1956 with registered office at Anupparpalayam, Tirupur. The company is engaged in the manufacturing of Cotton Hosiery Yarn. It is managed by Mr. Kasthuriswamynaidu Chelladurai, Mr. Sivasubramaniam Vijaykrishna, Mr. Krishnaswamy Devarajan and Mr. Narayanasamy. The installed capacity is 59,712 spindle. The Company's installed capacity is to produce 16,435 Kg of cotton per day. The company manufactures 40's, 60's and 70's cotton count range. Out of 59,712 spindles, 12,000 spindles are compact and remaining being combed yarn.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

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

## Key Rating Drivers

### Strengths

#### **Promoter's extensive industry experience and established track record of the company**

TTPL is a family-owned business with existence of more than 7 decades in the cotton spinning industry. The company was established in 1956 registered office at Anupparpalayam, Tirupur. Mr.S.Vijaykrishna, Managing Director, having an industry experience of 40 years. The extensive experience of the promoters is reflected through the established relationship with its customers and suppliers for over 3 decades. With promoter's extensive industry experience and established existence, TTPL has been able to establish long-standing relationship with its suppliers and customers. The key customers of the company include names like Lux Industries Limited, Pingalaksha Agencies Private Limited, Crystal Knitters Private Limited amongst others

### Weaknesses

**Instance of delay and irregularities account conduct:** As per the delays reflected in Credit Bureau Information Report of the company.

**Rating Sensitivities**

Timely servicing of debt obligations

**Liquidity Position: Poor**

Liquidity position of the company is poor as there are delays in servicing of debt obligations.

**Outlook: Not Applicable****Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	109.96	142.03
PAT	Rs. Cr.	1.59	25.46
PAT Margin	(%)	1.45	17.93
Total Debt/Tangible Net Worth	Times	1.24	0.86
PBDIT/Interest	Times	1.57	5.68

### 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, 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](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Sep 2023	Cash Credit	Long Term	23.00	ACUITE B+   Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	8.65	ACUITE B+   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	11.35	ACUITE B+   Stable (Reaffirmed)
	Term Loan	Long Term	20.00	ACUITE B+   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE B+   Stable (Reaffirmed)
	Term Loan	Long Term	11.00	ACUITE B+   Stable (Assigned)
05 Jan 2023	Bank Guarantee (BLR)	Short Term	0.25	ACUITE A4 (Assigned)
	Cash Credit	Long Term	15.00	ACUITE B+   Stable (Assigned)
	Letter of Credit	Short Term	10.10	ACUITE A4 (Assigned)
	Proposed Long Term Bank Facility	Long Term	25.80	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	3.52	ACUITE B+   Stable (Assigned)
	Working Capital Term Loan	Long Term	10.33	ACUITE B+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Federal Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	23.00	ACUITE C   Downgraded ( from ACUITE B+ )
Federal Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.65	ACUITE C   Downgraded ( from ACUITE B+ )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	11.35	ACUITE C   Downgraded ( from ACUITE B+ )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE C   Downgraded ( from ACUITE B+ )
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE C   Downgraded ( from ACUITE B+ )
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	11.00	ACUITE C   Downgraded ( from ACUITE B+ )

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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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