

Press Release

10 October, 2017

Titanium Tantalum Products Limited (TTPL)

Rating Reaffirmed



| | |
|--------------------------------------|-------------------------|
| Total Bank Facilities Rated * | Rs. 106.15 Cr |
| Long Term Rating | SMERA D (Reaffirmed) |
| Short Term Rating | SMERA D (Reaffirmed) |

Refer Annexure for details

Rating Rationale

SMERA has reaffirmed the long-term rating of '**SMERA D' (read as SMERA D)** and short term rating of '**SMERA D' (read as SMERA D)** on the Rs. 106.15 crore bank facility of Titanium Tantalum Products Limited (TTPL).

TTPL was established in 1981 by Dr. R. Thangappan. The company designs, produces and supplies various chemical equipments (reactors, pressure vessels, heat exchangers, pumps & blowers, anodes, valves, pipes & pipe fittings, electrolyzers, electro chlorination systems, process plants and components) made of ferrous, nickel & nickel based alloys and noble metals (including titanium, tantalum, molybdenum, niobium & zirconium) and their alloys.

Key Rating Drivers

Strengths

Experienced management:

The promoters, Dr. R. Thangappan, Mr. Jeyananth Thangappan and Mr. Jayamohan Thangappan have around two decades of experience in the said line of business.

Weaknesses

Delays in debt servicing

Delays were observed in the last three months with regard to repayment of debt due to a stretched liquidity position.

Analytical approach

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

About the rated entity - Key financials

TTPL reported net loss of Rs.27.96 crore on operating income of Rs.10.66 crore for FY2014-15, as compared with net loss of Rs.25.67 crore on operating income of Rs.20.11 crore in FY2013-14.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating history (last three years)

| Date | Name of Instrument/Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---|------------|------------------|---|
| 13-Feb-2016 | Cash Credit | Long Term | 19.00 | SMERA D (Suspension Revoked; Rating Assigned) |
| | Packing Credit | Short Term | 11.00 | SMERA D (Suspension Revoked; Rating Assigned) |
| | Export Project Cash Flow Deficit Finance | Long Term | 36.15^ | SMERA D (Suspension Revoked; Rating Assigned) |
| | Letter of Credit | Short Term | 20.00 | SMERA D (Suspension Revoked; Rating Assigned) |
| | Bank Guarantee | Short Term | 20.00 | SMERA D (Suspension Revoked; Rating Assigned) |
| 10-Dec-15 | Cash Credit | Long Term | 19.00 | SMERA D (Suspended) |
| | Packing Credit | Short Term | 11.00 | SMERA D (Suspended) |
| | Export Project Cash Flow Deficit Finance | Long Term | 36.15^ | SMERA D (Suspended) |
| | Letter of Credit | Short Term | 20.00 | SMERA D (Suspended) |
| | Bank Guarantee | Short Term | 20.00 | SMERA D (Suspended) |
| 15-Spet-14 | Cash Credit | Long Term | 19.00 | SMERA D (Reaffirmed) |
| | Packing Credit | Short Term | 11.00 | SMERA D (Reaffirmed) |
| | Export Project Cash Flow | Long Term | 36.15^ | SMERA D |

| | | | | |
|--|------------------|------------|-------|-------------------------|
| | Deficit Finance | | | (Reaffirmed) |
| | Letter of Credit | Short Term | 20.00 | SMERA D (Reaffirmed) |
| | Bank Guarantee | Short Term | 20.00 | SMERA D (Reaffirmed) |

[^]Export Project Cash flow Deficit Finance

*Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|--|------------------|----------------|----------------|-----------------------------|-------------------------|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 19.00 | SMERA D (Reaffirmed) |
| Packing Credit | Not Applicable | Not Applicable | Not Applicable | 11.00 | SMERA D (Reaffirmed) |
| Export Project Cash Flow Deficit Finance | Not Applicable | Not Applicable | Not Applicable | 36.15 [^] | SMERA D (Reaffirmed) |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 20.00 | SMERA D (Reaffirmed) |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 20.00 | SMERA D (Reaffirmed) |

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|---|---|
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ABOUT SMERA

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