June 03, 2022

Thangamayil Jewellery Limited: Migration of the rating outstanding on the medium-term rating scale to the long-term rating scale

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fixed Deposits	95.00	95.00	[ICRA]A- (Stable); Migrated from MA+ (Stable)
Long term – Fund Based Working capital facilities	241.00	241.00	[ICRA]A- (Stable); Outstanding
Short-Term Fund based	99.00	99.00	[ICRA]A2+; Outstanding
Short term-Interchangeable limits#	(306.00)	(306.00)	[ICRA]A2+; Outstanding
Total	**435.00**	**435.00**	

**Instrument details are provided in Annexure-1; # - sublimit of long-term and short-term fund-based limits*

Rationale

In compliance with the circular [SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/594] issued by the Securities and Exchange Board of India (SEBI) on July 16, 2021 and the subsequent circular SEBI/HO/MIRSD/MIRSD_CRADT /P/CIR/2022/43 of April 1, 2022, for standardizing the rating scales used by the Credit Rating Agencies, ICRA has discontinued the medium-term rating scale which was being used to assign ratings to the fixed deposit programmes of entities.

Accordingly, ICRA has migrated the rating currently outstanding for the fixed deposits programme of Thangamayil Jewellery Limited from the medium-term rating scale to the long-term rating scale. The medium-term rating scale of ICRA was a 14-point scale, while the long-term rating scale is a 20-point scale. The migration of the rating has resulted in a change in the rating symbol; however, this is to be construed only as a recalibration of the rating from one scale to another, and not as a reflection of a change in the credit risk of the fixed deposit programme.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: Click here

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in Gold Jewellery - Retail Industry
Parent/Group Support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the entity

About the company

Thangamayil Jewellery Limited (TMJL) is a jewellery retailer based in Madurai, Tamil Nadu. It was established as a proprietorship firm by Mr. Baluswamy Chettiar in 1947. After an initial public offer (IPO) in January 2010, it is currently listed on the Bombay Stock Exchange and the National Stock Exchange. At present, the company is managed by Mr. Balarama Govinda Das, Mr. Ba. Ramesh, and Mr. N.B. Kumar, who are the sons of the promoter. TMJL has 50 jewellery outlets across Tamil Nadu as on December 31, 2021.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on March 31, 2021 (Rs. crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021			Date & Rating in FY2020
					June 03, 2022	Jan 21, 2022	Mar 24,2021	Sept 24, 2020	Sept 4, 2020	Sept 09,2019
1	Fixed Deposits	Long-term	95.00	55.16	[ICRA]A- (Stable)	MA+ (Stable)	MA+ (Stable)	MA- (Stable)	MA- (Stable)	MA- (Stable)
2	Working Capital Facilities	Long-term	241.00	-	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
3	Fund Based limits	Short term	99.00	-	[ICRA]A2+	-	-	-	-	-
4	Interchange able limits	Short term	(306.00)	-	[ICRA]A2+	[ICRA]A2+	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A2
5	Unallocated Limits	Long/ short term	0.00	-	-	[ICRA]A- (Stable) /[ICRA]A2+	[ICRA]A- (Stable) /[ICRA] A2+	[ICRA]BBB+ (Stable) /[ICRA] A2	[ICRA]BBB+ (Stable) /[ICRA] A2	[ICRA]BBB+ (Stable) /[ICRA] A2

Source: *Company; * - sublimit of long-term and short-term fund-based limits*

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fixed Deposits	Very Simple
Long term Fund-based Working capital facilities	Simple
Short -term Fund-based limits	Very Simple
Short term Interchangeable limits	Very Simple
Long/ Short term Unallocated Limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fixed deposits	-	-	-	95.00	[ICRA]A- (Stable)
NA	Long term Working capital facilities	-	-	-	241.00	[ICRA]A- (Stable)
NA	Short -term Fund-based limits	-	-	-	99.00	[ICRA]A2+
NA	Interchangeable limits#	-	-	-	(306.00)	[ICRA]A2+

Source: *Company; # - sublimit of long-term and short-term fund-based limits*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

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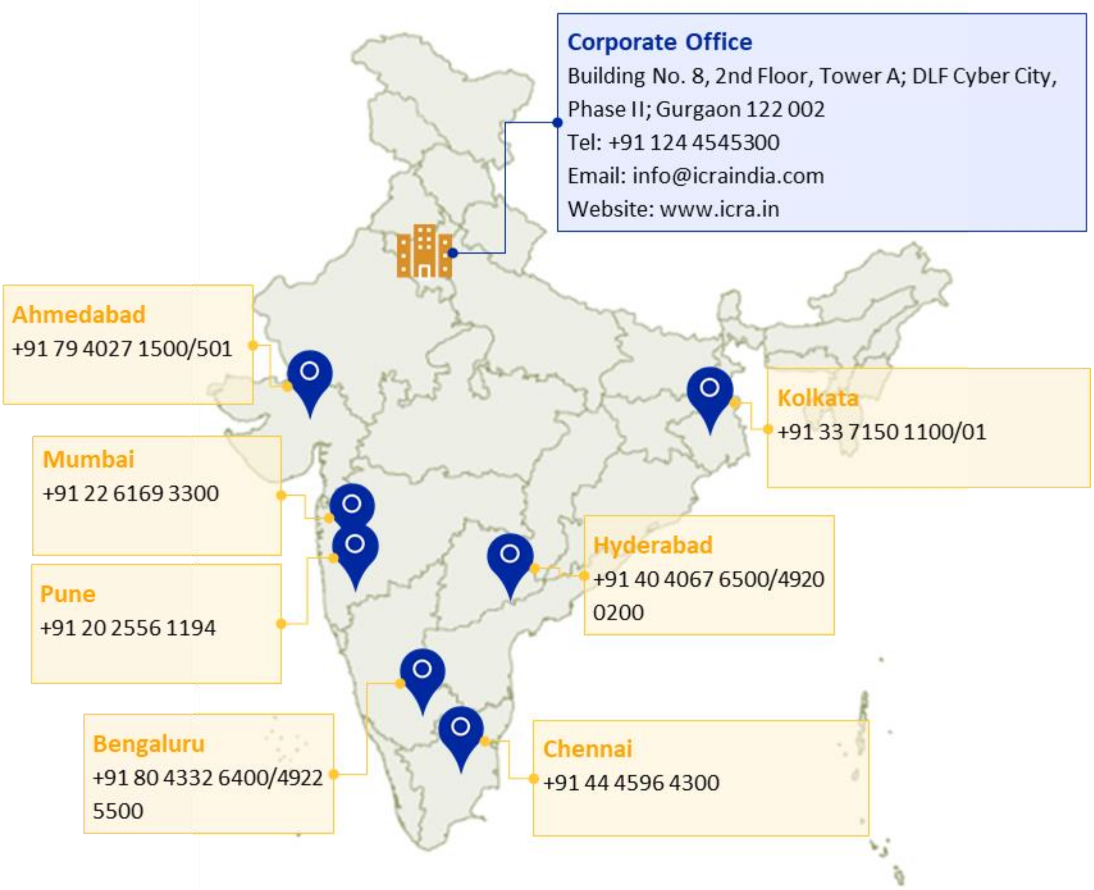

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