March 26, 2024

# Thangamayil Jewellery Limited: Change in limits

## Summary of rating(s) outstanding

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Outstanding |
|---|---|---|---|
| **Long-term fund based – Working capital limits** | 257.00 | 257.00 | [ICRA]A-(Positive) |
| **Short-term fund-based limits** | 179.00 | 254.00 | [ICRA]A2+ |
| **Short-term – Interchangeable limits** | (257.00) | (257.00) | [ICRA]A2+ |
| **Long-term – Interchangeable limits** | (78.00) | (153.00) | [ICRA]A-(Positive) |
| **Long-term/short-term – Unallocated Limits** | 75.00 | 0.00 | - |
| **Fixed Deposit** | 95.00 | 95.00 | [ICRA]A-(Positive) |
| **Total** | **606.00** | **606.00** | |

**Instrument details are provided in Annexure-1*

## Rationale

The rationale is being released to convey the change in the rated limits of Thangamayil Jewellery Limited (TMJL), as depicted in the table above, based on the latest information received from the company.

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

## Analytical approach

| Analytical Approach | Comments |
|---|---|
| **Applicable rating methodologies** | Corporate Credit Rating Methodology<br>Jewellery (Retail) |
| **Parent/Group support** | Not applicable |
| **Consolidation/Standalone** | Standalone |

## 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. The company went public in January 2010, and is listed on BSE and NSE. The company is managed by Mr. Balaram Govind Das, Mr. Ba. Ramesh and Mr. N. B. Kumar, the sons of the promoter. TMJL has a retail network of 56 stores across Tamil Nadu as on December 31, 2023.

### Key financial indicators

| | FY2022 (audited) | FY2023 (audited) | 9M FY2024 (unaudited) |
|---|---|---|---|
| **Operating income** | 2,193 | 3,153 | 2,846 |
| **PAT** | 39 | 80 | 95 |
| **OPBDIT/OI** | 3.9% | 4.9% | 5.8% |
| **PAT/OI** | 1.8% | 2.5% | 3.3% |
| **Total outside liabilities/Tangible net worth (times)** | 1.8 | 2.2 | NA |
| **Total debt/OPBDIT (times)** | 4.8 | 3.7 | NA |
| **Interest coverage (times)** | 3.3 | 4.4 | 5.9 |

*PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. Crore; NA – Not available*
*Note: All ratios as per ICRA calculations. Total debt includes lease liabilities.*

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

| | Instrument | Current rating (FY2024) | | | | | | Chronology of rating history for the past 3 years | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Type | Amount rated (Rs. crore) | Amount outstanding as of Mar 31, 2023 (Rs. crore) | Date & rating in FY2024 | | | Date & rating in FY2023 | | Date & rating in FY2022 | Date & rating in FY2021 | |
| | | | | | Mar 26, 2024 | Oct 04, 2023 | Jul 03, 2023 | Aug 25, 2022 | Jun 03, 2022 | Jan 21, 2022 | Mar 24, 2021 | Sep 24, 2020 | Sep 04, 2020 |
| 1 | **Working capital limits** | Long-term | 257.00 | - | [ICRA]A- (Positive) | [ICRA]A- (Positive) | [ICRA]A- (Positive) | [ICRA]A- (Stable) | [ICRA]A- (Stable) | [ICRA]A- (Stable) | [ICRA]A- (Stable) | [ICRA]BBB+ (Stable) | [ICRA]BBB+ (Stable) |
| 2 | **Fund-based limits** | Short-term | 254.00 | - | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | - | - | - | - |
| 3 | **Interchangeable limits** | Short-term | (257.00) | - | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2 | [ICRA]A2 |
| 4 | **Interchangeable limits** | Long-term | (153.00) | - | [ICRA]A- (Positive) | [ICRA]A- (Positive) | [ICRA]A- (Positive) | [ICRA]A- (Stable) | - | - | - | - | - |
| 5 | **Unallocated Limits** | Long-term/ short-term | - | - | - | [ICRA]A- (Positive)/ [ICRA]A2+ | - | [ICRA]A- (Stable)/ [ICRA]A2+ | - | - | [ICRA]A- (Stable)/ [ICRA]A2+ | [ICRA]BBB+ (Stable)/ [ICRA]A2 | [ICRA]BBB+ (Stable)/ [ICRA]A2 |
| 6 | **Fixed Deposit** | Long-term | 95.00 | 63.28 | [ICRA]A- (Positive) | [ICRA]A- (Positive) | [ICRA]A- (Positive) | [ICRA]A- (Stable) | [ICRA]A- (Stable) | MA+ (Stable) | MA+ (Stable) | MA- (Stable) | MA- (Stable) |

## Complexity level of the rated instrument

| Instrument | Complexity Indicator |
| --- | --- |
| **Long-term fund based – Working capital limits** | Simple |
| **Short-term fund-based limits** | Simple |
| **Short-term – Interchangeable limits** | Simple |
| **Long-term – Interchangeable limits** | Simple |
| **Fixed Deposit** | Very Simple |

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: Click Here

## Annexure-I: Instrument details

| ISIN | Instrument Name | Date of Issuance | Coupon Rate | Maturity | Amount Rated (Rs. crore) | Current Rating and Outlook |
|---|---|---|---|---|---|---|
| NA | Long-term fund based – Working capital limits | NA | NA | NA | 257.00 | [ICRA]A- (Positive) |
| NA | Short-term fund-based limits | NA | NA | NA | 254.00 | [ICRA]A2+ |
| NA | Short-term – Interchangeable limits | NA | NA | NA | (257.00) | [ICRA]A2+ |
| NA | Long-term – Interchangeable limits | NA | NA | NA | (153.00) | [ICRA]A-(Positive) |
| NA | Fixed Deposit | NA | NA | NA | 95.00 | [ICRA]A-(Positive) |

*Source: Company*

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

## Annexure-II: List of entities considered for consolidated analysis – N.A.

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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# ICRA Limited

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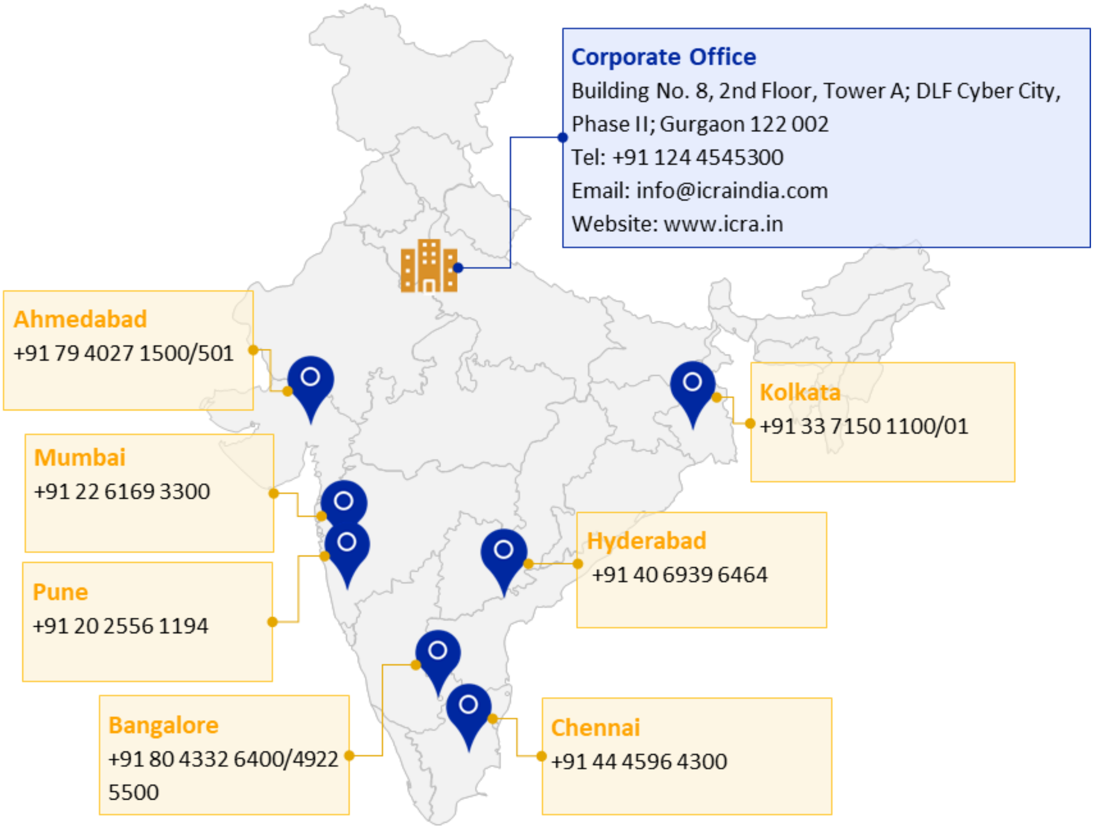
## Branches



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