

November 26, 2024

Sree Sudheer Ceramics Private Limited: Ratings moved to Issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term –Fund-based –Term loan	54.43	54.43	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; rating moved to 'ISSUER NOT COOPERATING' category
Long term –Fund-based –Cash credit	15.00	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; rating moved to 'ISSUER NOT COOPERATING' category
Short-term–Non-fund based	(2.58)	(2.58)	[ICRA]A4; ISSUER NOT COOPERATING*; rating moved to 'ISSUER NOT COOPERATING' category
Total	69.43	69.43	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has moved the ratings for the bank facilities of Sree Sudheer Ceramics Private Limited (SSCPL) to the 'Issuer Not Cooperating' category on account of inadequate information regarding its performance uncertainty regarding its credit risk. The rating is denoted as '[ICRA]B+ (Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING'. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its 'policy in respect of non-cooperation by a rated entity' available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using the rating as it may not adequately reflect the entity's credit risk profile.

As part of its process and in accordance with its rating agreement with SSCPL, ICRA has been trying to seek information from the entity to monitor its performance. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with ICRA's aforesaid policy, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position and Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of Non-cooperation by a rated entity
Parent/Group support	NA
Consolidation/Standalone	Standalone

About the company

Incorporated in 2017, Sree Sudheer Ceramics (formerly known as Modulo Ceramics Pvt. Ltd) is involved in manufacturing ceramic wall tiles and trading of floor tiles. Its manufacturing facility is in Vijayawada, Andhra Pradesh, with an installed

capacity of around 6.75 million square metres per annum. The company is promoted by Mr. NVV Seshagiri Rao and family, who also have a presence in the timber trade and real estate development through other ventures, mainly in South India.

Key Financial Indicators

Sree Sudheer Ceramics Standalone	FY2023	FY2024
Operating income (Rs. crore)	99.2	66.1
PAT (Rs. crore)	2.5	1.2
OPBDIT/OI (%)	17.6%	28.3%
PAT/OI (%)	2.5%	1.8%
Total outside liabilities/Tangible net worth (times)	6.4	7.0
Total debt/OPBDIT (times)	6.6	6.6
Interest coverage (times)	2.2	2.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA:

CRA	Status	Date of release
CRISIL	CRISIL B+/Stable/ISSUER NOT COOPERATING	January 12, 2024
Brickworks	BWR C ISSUER NOT COOPERATING/BRW A4 ISSUER NOT COOPERATING	September 16, 2024

*Company was formerly known as Modulo Ceramics Private Limited when it was rated by Brickwork Ratings

Any other information: None

Rating history for past three years

Instrument		Current rating (FY2025)			Chronology of rating history for the past 3 years		
		Type	Amount rated (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022
				Nov 26, 2024	Aug 21, 2023	Oct 12, 2022	-
1	Fund-based Term Loan	Long term	54.43	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable)	[ICRA]B+ (Stable)	-
2	Fund-based Cash Credit	Long term	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable)	-	-
3	Bank guarantee	Long term	(2.58)	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	[ICRA]A4	-

*Sublimit of Cash Credit Limit

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term –Fund-based –Term loan	Simple
Long-term –Fund-based –Cash Credit	Simple
Short-term –Non-fund based-Bank Guarantee	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 analysing 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 / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loans	NA	NA	NA	54.43	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Cash Credit	NA	NA	NA	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Bank Guarantee	Dec 2, 2022	NA	NA	(2.58)*	[ICRA] A4; ISSUER NOT COOPERATING

Source: Company; *Sublimit of Cash Credit

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

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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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Branches



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