

April 26, 2024

Cosa Ceramics Pvt. Ltd.: Continues to remain under 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-Cash Credit	12.00	12.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	4.92	4.92	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non Fund Based-Others	7.00	7.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	23.92	23.92	

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

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term and Short-Term ratings of Cosa Ceramics Pvt. Ltd. in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+ (Stable); ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Cosa Ceramics Pvt. Ltd., ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

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](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Morbi-based CCPL was incorporated in December 2010. It manufactures soluble salt vitrified tiles and double charge vitrified tiles and has a total installed capacity of 67,39,000 sq. meter per annum. KCL, one of the leading tile manufacturers, acquired 51% stake in CCPL in October 2012 and since then CCPL's entire production is sold to KCL. KCL has also extended a corporate guarantee of upto 51% of the total credit exposure of the company. The key promoter, Mr. Kishor Patel, has extensive experience in the ceramic industry through his association with group concerns, Taurus Tiles Private Limited, Amar Ceramic Industries and Solar Ceramics Private Limited, which are involved in tile manufacturing. Further, the company is undergoing capex to diversify into glazed vitrified tiles in FY2021.

In FY2020, the company reported a net loss of Rs. 0.1 crore on an operating income of Rs. 125.7 crore, as compared to a net profit of Rs. 3.7 crore on an operating income of Rs. 176.9 crore in FY2019.

Key financial indicators

	FY2022	FY2023
Operating income	163.3	168.6
PAT	-3.0	0.7
OPBDIT/OI	2.9%	5.7%
PAT/OI	-1.8%	0.4%
Total outside liabilities/Tangible net worth (times)	1.1	1.0
Total debt/OPBDIT (times)	8.0	4.1
Interest coverage (times)	1.8	3.7

Source – MCA Website

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the past 3 years				
		Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
				26-Apr-2024	28-Feb-2023	31-Dec-2021	03-Dec-2020	17-Sep-2020
1 Cash Credit	Long Term	12.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2 Term Loan	Long Term	4.92	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
3 Non Fund Based	Short Term	7.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A3+	[ICRA]A3+
4 Unallocated	Long Term/ Short Term	-	-	-	-	-	-	[ICRA]BBB (Stable) / [ICRA]A3+

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Non Fund Based	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 No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	12.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	4.92	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Non Fund Based	-	-	-	7.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: Cosa Ceramics Pvt. Ltd.

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

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Branches



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