

May 31, 2024

Asian Granito India Limited: Moved to Non-Cooperating category, Ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Working capital	100.00	100.00	[ICRA]BB+(Stable) ISSUER NOT COOPERATING*; Rating downgraded with change in outlook from [ICRA]BBB+(Negative) and moved to the 'Issuer Not Cooperating' category
Short-term Non-fund based – Letter of credit/Bank guarantee	56.00	56.00	[ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A2 and moved to the 'Issuer Not Cooperating' category
Total	156.00	156.00	

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

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has downgraded and moved the rating for the bank facilities of Asian Granito India Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB+(Stable) ISSUER NOT COOPERATING/[ICRA]A4+ ISSUER NOT COOPERATING".

The rating downgrade is because of lack of adequate information regarding Asian Granito India Limited performance and hence the uncertainty around its credit risk. 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 this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Asian Granito India Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated 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, 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, Key Financial Indicator 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	Promoter Group: Asian Granito Limited (AGL) The ratings assigned to ACL factors in the likelihood of its parent, AGL, extending financial support to it because of close business linkages between them. ICRA expects AGL to be willing to extend financial support to ACL out of its need to protect its reputation from the consequences of a group entity's distress. There also exists a consistent track record of AGL having extended timely financial support to ACL in the past, whenever a need has arisen
Consolidation/Standalone	ICRA has considered the consolidated financials of AGL.

About the company

Incorporated in 2002 by Mr. Kamlesh Patel and Mr. Mukesh Patel, AGL is a leading manufacturer of ceramic tiles with a product range including wall tiles, floor tiles, vitrified tiles, marble, quartz and sanitaryware. Over the years, the company has expanded its production capacities as well as product range, providing manufacturing and marketing of flooring solutions under the brand name of AGL. AGL has ten manufacturing facilities (including three facilities of subsidiaries) in Morbi and Himmatnagar region of Gujarat, with an overall installed capacity of ~26.4 million sq. mt. at present. The company is listed on the Bombay Stock Exchange and the National Stock Exchange.

Status of non-cooperation with previous CRA: Not Applicable

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 as of March 31, 2024 (Rs. crore)	Date & Rating in FY2025		Date & Rating in FY2024		Date & Rating in FY2023			Date & Rating in FY2022	
				May 31, 2024		Aug 23, 2023	Jun 02, 2023	Feb 10, 2023	Nov 25, 2022	Sep 13, 2022	Jun 03, 2022	Oct 27, 2021
1 Term loans	Long term	-	-	-	-	-	-	-	-	[ICRA] A+(Negative)	[ICRA] A+(Stable)	[ICRA] A+(Stable)
2 Working capital facilities	Long term	100.0	-	[ICRA]BB+(Stable) ISSUER NOT COOPERATING	[ICRA]BBB+ (Negative)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	[ICRA]A (Negative)	[ICRA] A+(Negative)	[ICRA] A+(Stable)	[ICRA] A+(Stable)	
3 Bank guarantee & Letter of credit	Short term	56.0	-	[ICRA]A4+ ISSUER NOT COOPERATING	[ICRA]A2	[ICRA]A2	[ICRA]A2+	[ICRA]A2+	[ICRA]A1	[ICRA]A1	[ICRA]A1	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based – Working capital	Simple
Short-term – Bank guarantee & Letter of credit	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	Working capital	NA	NA	NA	100.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING
NA	Bank guarantee & Letter of credit	NA	NA	NA	56.00	[ICRA]A4+ ISSUER NOT COOPERATING

Source: Company

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

Annexure-II: List of entities considered for consolidated analysis:

Company Name	LTHL Ownership	Consolidation Approach
Amazoone Ceramics Ltd	97.83%	Full Consolidation
Crystal Ceramic Industries Pvt. Ltd.	70%	Full Consolidation
Future Ceramics Pvt. Ltd.	100%	Full Consolidation
AGL Sanitaryware Pvt. Ltd	100%	Full Consolidation
AGL Industries Limited	100%	Full Consolidation
AGL Global Trade Pvt. Ltd	100%	Full consolidation
AGL Surfaces Pvt. Ltd.	100%	Full Consolidation

Source: AGL annual report

Note: ICRA has taken a consolidated view of the parent (AGL), its subsidiaries and associates while assigning the ratings

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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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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