

March 18, 2020

Lexus Granito (India) Limited: Ratings continue to remain under Issuer Non-Cooperating category

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based - Term Loans	42.18	42.18	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Fund-based - Cash Credit	22.00	22.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Fund-based - EPC/FBD [^]	(17.00)	(17.00)	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Non-fund based - Bank Guarantee	4.70	4.70	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Non-fund based - Credit Exposure Limit [^]	(0.75)	(0.75)	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Non-convertible Debentures (NCD)	6.40	6.40	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Proposed NCD	8.60	8.60	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	83.88	83.88	

*Issuer did not co-operate; based on best available information.

[^] Sublimit within cash credit.

Rationale

The ratings for the Rs. 68.33 crore bank facilities and 15.00 crore Non-Convertible Debentures of Lexus Granito (India) Limited continue to remain under 'Issuer Not Cooperating' category. The rating is now denoted as "[ICRA]D/D; ISSUER NOT COOPERATING".

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. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Incorporated in 2010, Lexus Granito (India) Limited is an established player in the ceramics industry with presence in the domestic and international markets. The company manufactures vitrified tiles and operates through its own plant in Morbi with an installed capacity to produce 48,00,000 boxes of vitrified tiles per annum in three sizes - 600X600 mm, 1200X600 mm and 800X1200 mm. In June 2017, the company commenced the manufacture of wall tiles (which was earlier manufactured under its Group concern, Lexus Ceramic Private Limited). The wall tiles manufacturing unit is located in LGL's existing facility. The unit has an installed capacity to produce 64,80,000 boxes of wall tiles per annum in three sizes - 300X600 mm, 300X450 mm and 300X300 mm. The company is managed by Mr. Babulal Detroja, Mr. Anil Detroja, Mr. Nilesh Detroja and Mr. Hitesh Detroja.

The previous detailed rating rationale is available on the following link: [Click here](#)

Status of non-cooperation with previous CRA: Not Applicable

Key financial indicators:

	FY2018	FY2019
Operating Income (Rs. crore)	181.31	132.22
PAT (Rs. crore)	7.00	0.34
OPBDITA/ OI (%)	16.99%	16.49%
RoCE (%)	17.57%	14.15%
Total Outside Liabilities/Tangible Net Worth (times)	2.04	1.73
Total Debt/OPBDITA (times)	2.21	2.48
Interest Coverage (times)	3.43	2.65
DSCR (excl. STD/prepayments)	1.93	2.48

Source: Company

Any other information: None

Rating history for past three years

All figures in Rs. Crore

	Instrument	Type	Current Rating (FY2020)				Rating History for the Past 3 Years					
			Amount Rated	Amount Outstanding	Current Rating	Earlier Rating	FY2019			FY2018	FY2017	
					18-Mar-2020	17-Jun-2019	17-Dec-2018	25-Jun-2018	15-Jun-2018	28-Sep-2017	31-Mar2017	18-Oct-2016
1	Term Loans	Long Term	42.18	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	-	[ICRA] BB- (Negative)	[ICRA] BB+ (Stable)	[ICRA] BB (Stable)	[ICRA] BB (Stable)
2	Cash Credit	Long Term	22.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	-	[ICRA] BB- (Negative)	[ICRA] BB+ (Stable)	[ICRA] BB (Stable)	[ICRA] BB (Stable)
3	EPC/FBD [^]	Short Term	(17.00)	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	-	[ICRA] A4	[ICRA] A4+	[ICRA] A4	[ICRA] A4
4	Bank Guarantee	Short Term	4.70	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	-	[ICRA] A4	[ICRA] A4+	[ICRA] A4	[ICRA] A4
5	Credit Exposure Limit [^]	Short Term	(0.75)	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	-	[ICRA] A4	[ICRA] A4+	[ICRA] A4	[ICRA] A4
6	NCD	Long Term	6.40	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA] BB- (Negative) ^{&}	[ICRA] BB- (Negative) [#]	[ICRA] BB+ (Stable)	[ICRA] BB (Stable)	-
7	Proposed NCD	Long Term	8.60	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	-	[ICRA] BB- (Negative)	[ICRA] BB+ (Stable)	[ICRA] BB (Stable)	-

[^] Sublimit within cash credit.

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