

Camrola Quartz Ltd.

December 05, 2018

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term Fund-based Limits - Cash Credit	10.04	10.04	[ICRA]A(SO) reaffirmed; Outlook revised to Negative from Stable
Long Term Fund-based Limits - Term Loan	24.80	24.80	[ICRA]A(SO) reaffirmed; Outlook revised to Negative from Stable
Short Term Non-fund Based Limits - Bank Guarantee/Letter of Credit	5.46	5.46	[ICRA]A1(SO) reaffirmed
Total	40.30	40.30	

* Instrument details are provided in Annexure 1

Rationale

The revision in rating outlook of of Camrola Quartz Ltd. (CQL) follows the revision in the rating outlook of Asian Granito India Limited (AGL, its corporate guarantee provider rated at [ICRA]A (Negative) /[ICRA]A1).

The SO (structured obligation) ratings consider the corporate guarantee extended by AGL to CQL's Rs. 34.84-crore fund-based limits and the Rs. 5.46-crore non-fund based limits. The SO ratings factor in an undertaking from the guarantor to ensure that the debt obligations are serviced on or prior to the due date, irrespective of the invocation of the guarantee by the beneficiary.

For detailed rating rationale of AGL, [Click Here](#)

Outlook: Negative

CQL's rating outlook will be driven by the outlook of the guarantor.

Key rating drivers

Bank lines backed by corporate guarantee - CQL's credit profile is enhanced by the corporate guarantee provided by AGL for the above rated bank limits.

Liquidity Position

CQL's liquidity position is governed by the liquidity position of the guarantor i.e. AGL.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Approach for rating debt instruments backed by third-party explicit support Corporate Credit Rating Methodology
Parent/Group Support	The assigned ratings are based on unconditional, irrevocable corporate guarantee extended by CQL's ultimate parent company, AGL.
Consolidation / Standalone	Not Applicable

About the company

Camrola Quartz Ltd. was incorporated in 2017 as a joint venture between AGL (51% stake), a leading tile manufacturer in the domestic market and Paramshree Granito Private Limited (49% stake). It was established as a closely held limited company to manufacture engineered stones (quartz slabs). The company's production facility is in Prantij, Gujarat, and has an installed manufacturing capacity of ~2,400 square metre per day of quartz stones. The company's commercial operation commenced from July 2018.

Key financial indicators - CQL

Not applicable, as operations commenced from July 2018.

About the guarantor

Asian Granito India Limited (AGL) was incorporated in 2002 by Mr. Kamlesh Patel and Mr. Mukesh Patel. The company manufactures ceramic tiles and has extended its production capacities as well as product range over the years. Currently, it is a leading ceramic player involved in manufacturing and marketing flooring solutions under its brand, AGL. Its product range includes wall tiles, vitrified tiles, ceramic floor tiles, marble and quartz.

Key financial indicators (audited) - AGL

	Standalone		Consolidated	
	FY2017	FY2018	FY2017	FY2018
Operating Income (Rs. crore)	946	1,005	1,064	1,156
PAT (Rs. crore)	32	33	48	54
OPBDIT/ OI (%)	8.4%	8.5%	11.7%	12.1%
Total Debt/ TNW (times)	0.4	0.4	0.8	0.7
Total Debt/ OPBDIT (times)	2.0	1.9	2.7	2.4
Interest Coverage (times)	3.3	4.0	3.0	3.6

Source: Financial statements of the company

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

		Current Rating (FY2018)			Chronology of Rating History for the past 3 years			
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating December 2018	Date & Rating May 2018	Date & Rating in FY2017	Date & Rating in FY2016	
1 Long Term Fund-based Limits - Cash Credit	Long Term	10.04	-	[ICRA]A(SO) (Negative)	[ICRA]A(SO) (Stable)	-	-	
2 Long Term Fund-based Limits - Term Loan	Long Term	24.80	4.00	[ICRA]A(SO) (Negative)	[ICRA]A(SO) (Stable)	-	-	
3 Short Term Non-fund Based Limits	Short Term	5.46	-	[ICRA]A1(SO)	[ICRA]A1(SO)	-	-	

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term Fund-based Limits - Cash Credit	NA	NA	NA	10.04	[ICRA]A(SO) (Negative)
NA	Long Term Fund-based Limits - Term Loan	FY2018	NA	FY2024	24.80	[ICRA]A(SO) (Negative)
NA	Short Term Non-fund Based Limits	NA	NA	NA	5.46	[ICRA]A1 (SO)

Source: Sanction letter of Camrola Quartz Ltd.

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