

Crystal Ceramic Industries Pvt. 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 Term Loan	50.00	50.00	[ICRA]A(SO) reaffirmed; Outlook revised to Negative from Stable
Long-term Fund-based Cash Credit	70.00	70.00	[ICRA]A(SO) reaffirmed; Outlook revised to Negative from Stable
Short Term Non-Fund Based Limits – Bank Guarantee/ Letter of Credit	11.00	11.00	[ICRA]A1(SO) reaffirmed
Total	131.00	131.00	

Rationale

The revision in rating outlook of Crystal Ceramic Industries Private Limited (CCPL) 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 take into consideration the corporate guarantee extended by AGL for the Rs 120 crore fund based limits and the Rs 11 crore non-fund based limits of CCPL and 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

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

Key rating drivers

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

Liquidity Position:

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

Analytical approach

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

About the company

Incorporated in 2008, Crystal Ceramic Industries Private Limited (CCPL) manufactures vitrified tiles from its facilities in Mehsana (Gujarat). The product range of the company includes double charged vitrified tiles, polished glazed vitrified tiles and glazed vitrified tiles. CCPL is a step-down subsidiary of AGL, with AGL holding 70% stake in CCPL through Trodo Ceramic Private Limited (wholly owned by AGL), while its previous promoters own the rest. About ~30-40% of CCPL's total sales were made to AGL over the last three fiscals.

Key financial indicators (audited) – CCPL

	FY2017	FY2018
Operating Income (Rs. crore)	173.8	210.7
PAT (Rs. crore)	14.1	13.0
OPBDIT/ OI (%)	22.4%	19.1%
Total Debt/ TNW (times)	3.3	1.7
Total Debt/ OPBDIT (times)	4.8	3.9
Interest Coverage (times)	2.5	2.4

Source: Financial statements of the company

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	1005	1064	1156
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	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating	Date & Rating	Date & Rating
		Rated (Rs. crore)		December 2018		January 2018	
1	Cash Credit	70.00	-	[ICRA]A(SO) (Negative)	[ICRA]A(SO) (Stable)	[ICRA]A(SO) (Stable)	-
2	Term Loans	50.00	39.09 [^]	[ICRA]A(SO) (Negative)	[ICRA]A(SO) (Stable)	[ICRA]A(SO) (Stable)	-
3	Short Term Non Fund Based	11.00	-	[ICRA]A1(SO)	[ICRA]A1(SO)	[ICRA]A1(SO)	-

Based
[^] as on March 31, 2018

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	Cash Credit	NA	NA	NA	70.00	[ICRA]A(SO) (Negative)
NA	Term Loan	September 2016	NA	FY2024	50.00	[ICRA]A(SO) (Negative)
NA	Short Term Non Fund Based	NA	NA	NA	11.00	[ICRA]A1 (SO)

Source: Sanction letter of Crystal Ceramic Industries Private Limited

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