



**Press Release**  
**CERAMAX GRANITO LIMITED (ERSTWHILE CERAMAX GRANITO PRIVATE LIMITED)**  
**May 02, 2025**  
**Rating Downgraded and Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	54.35	ACUITE BB   Downgraded & Withdrawn	-
Bank Loan Ratings	0.71	Not Applicable   Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	55.06	-	-

**Rating Rationale**

Acuité has downgraded and withdrawn its long-term rating to “**ACUITE BB**” (read as **ACUITE double B**) from “**ACUITE BB+**” (read as **ACUITE double B plus**) on the bank loan facilities of Rs.54.35 Cr. of Ceramax Granito Limited (Erstwhile Ceramax Granito Private Limited)(CGL). The rating has been withdrawn on account of the request received from the issuer along with No objection certificate(NOC) received from the lender. Further, Acuité has withdrawn its long-term rating on the bank loan facilities of Rs.0.71 Cr. bank facilities of Ceramax Granito Limited (Erstwhile Ceramax Granito Private Limited) without assigning any rating as the instrument is fully repaid. The rating has been withdrawn on account of the request received from the issuer along with No dues certificate(NDC) received from the lender.

The rating withdrawal is in accordance with Acuité’s policy on withdrawal of rating as applicable to the respective facility / instrument.

**Rationale for rating**

The downgrade in rating factors the continuous decline in the company’s scale of operations, marked by an operating income of Rs. 109.23 Cr. in FY2024 as against Rs.129.75 Cr. in FY2023. Moreover, the revenue for FY2025 is estimated to be further declined at Rs.82.84 crore. The EBITDA and PAT margin of the company declined and stood at 2.62% and (7.87)% in FY2024 as against 12.94% and 2.89% respectively in FY2023. The rating is further constrained by the poor liquidity profile of the company marked by insufficient net cash accrual against maturing debt obligations and intensive working capital operations marked by high GCA days of 193 days as on 31st March 2024. Additionally, the financial risk profile of the company deteriorated sharply as suggested by coverage indicators i.e. interest coverage ratio (ICR) and debt service coverage ratio (DSCR) which stood at 0.92 times and 0.37 times respectively as on 31st March 2024. However, the rating draws comfort from the long track of operations and experienced management of the company.

**About the Company**

Ceramax Granito Limited (Erstwhile Ceramax Granito Private Limited) was incorporated in 2016. The entity engaged in the business of manufacturing Ceramic, Glazed Vitrified and Wall Tiles. The company sells its products in domestic market through its wide network of more than 200 dealers spread across the states in Northern India like Punjab, Haryana, Rajasthan, Gujarat, Uttar Pradesh, Uttarakhand amongst others. The present directors are Mr. Mansukh Khodabhai Ughareja, Mr. Hirani Dilipbhai Mohanbhai, Mr. Punit Mansukhbhai Ughreja, Mr. Sidharth Gupta, Mr. Ajay Kumar Gupta, Mr. Narendra Gupta and Ms. Sonal Agarwal. The registered address of the company is in Bikaner, Rajasthan.

**Unsupported Rating**

Not Applicable

### **Analytical Approach**

Acuite has considered the standalone business and financial risk profile of Ceramax Granito Limited (Erstwhile Ceramax Granito Private Limited) to arrive at this rating.

### **Key Rating Drivers**

## **Strengths**

### **Long track of operations and Experienced management**

Ceramax Granito Limited is engaged in manufacturing of Ceramic, Glazed Vitrified and Wall tiles and is promoted by Mr. Kunj Bihari Gupta (Chairman) and his son Mr. Sidharth Gupta (Director). Also, the company has a qualified team of senior management supporting the promoters. The promoters along with key managerial personnel have an experience of over four decades in the ceramics industry. The company sells its products in domestic market through its wide network of more than 200 dealers spread across the states in Northern India like Punjab, Haryana, Rajasthan, Gujarat, Uttar Pradesh, Uttarakhand amongst others. The extensive experience of the promoters has helped the company in establishing healthy relationship with its customers and suppliers.

## **Weaknesses**

### **Decline in revenue and profitability**

The company witnessed decline in scale of operations, reporting operating revenue of Rs.109.23 Cr. in FY2024 as against Rs.129.75 Cr. in FY 2023. Further, the revenue for FY2025 further decreased and is estimated to be around Rs.82.84 crores. This decline is due to increase in import duties being levied upon by countries like UAE & USA causing inflow of tiles exported internationally into the domestic market impacting the demand of tiles. Further, the sales of the company were also impacted due to shut down in operations for couple of months as the new product line of wall tiles was being set up. Moreover, the operating margin of the company decreased and stood at 2.62% in FY2024 as against 12.94% in FY 2023. The decline is majorly on account of increase in employee as well as other manufacturing costs related to the new product line of wall tiles unit and repair of factory, plant and machinery. Likewise, the PAT margin stood at (7.87) % in FY2024 as against 2.89% in FY 2023 due to high depreciation and finance costs.

### **Moderately Intensive Working Capital Operations**

The working capital operations of the company are moderately intensive marked by high GCA days of 193 days as on 31st March 2024 as compared to 172 days as on 31st March 2023. Further, the debtor days stood at 64 days as on 31st March 2024 as compared to 51 days in the previous year. On the other hand, the creditor days stood at 349 days as on 31st March 2024 as compared to 193 days in the previous year. The inventory days of the company remains high which stood at 116 days as on 31st March 2024 as compared to 120 days in the previous year due to nature of operations. Further, working capital limits remained utilized at an average of 97.24% for the past six months ended March 2025.

### **Below Average Financial Risk Profile**

Financial risk profile of the company stood below average marked by low net worth, high leverage and low debt protection metrics. Tangible net worth of the company stood at Rs.30.49 Cr. as on 31st March 2024 as against Rs. 39.08 Cr. in FY 2023. The decline in net worth is due to decrease in reserves on an account of losses booked by company in FY24. The gearing moderated to 2.75 times in FY2024 from 2.35 times in FY2023. Further, the financial risk profile of the company deteriorated sharply as suggested by coverage indicators i.e. interest coverage ratio (ICR) which declined in FY2024 and stood at 0.92 times against 3.44 times in FY2023 and debt service coverage ratio (DSCR) stood at 0.37 times in FY2024 as against 1.13 times in FY2023. The net cash accruals to total debt (NCA/TD) stood low at (0.01) times in FY 2024 against 0.11 times in FY 2023 and Debt-EBITDA increased sharply from 4.50 times in FY2023 to 13.39 times in FY2024.

## **Rating Sensitivities**

Not Applicable

## **Liquidity Position**

### **Poor**

The liquidity profile of the company is poor marked by insufficient net cash accrual which stood at Rs.(1.85) Cr. in FY2024 against maturing debt obligation of Rs.9.98 Cr. The company has infused approximately Rs.2.00 Crore in the form of unsecured loans. However, the balance was paid off by stretching creditors in FY2024 which stood at Rs.41.20 Crore against Rs.26.91 Crore. The current ratio stood low at 0.80 times as on 31st March 2024 against 1.01 times on 31st March 2023. Further, the cash and bank balance available with the company stood at Rs.0.45 Cr. and working capital limits remained utilized at an average of 97.24% for the past six months ended March 2025.

## **Outlook: Not Applicable**

## **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	109.23	129.75
PAT	Rs. Cr.	(8.60)	3.75
PAT Margin	(%)	(7.87)	2.89
Total Debt/Tangible Net Worth	Times	2.75	2.35
PBDIT/Interest	Times	0.92	3.44

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Jul 2024	Term Loan	Long Term	0.71	ACUITE BB+   Stable (Downgraded (Negative to Stable) from ACUITE BBB-   Negative)
	Term Loan	Long Term	20.72	ACUITE BB+   Stable (Downgraded (Negative to Stable) from ACUITE BBB-   Negative)
	Working Capital Term Loan	Long Term	1.98	ACUITE BB+   Stable (Downgraded (Negative to Stable) from ACUITE BBB-   Negative)
	Term Loan	Long Term	11.65	ACUITE BB+   Stable (Downgraded (Negative to Stable) from ACUITE BBB-   Negative)
	Cash Credit	Long Term	20.00	ACUITE BB+   Stable (Downgraded (Negative to Stable) from ACUITE BBB-   Negative)
	Term Loan	Long Term	3.77	ACUITE BB+ (Downgraded & Withdrawn from ACUITE BBB-   Negative)
	Term Loan	Long Term	3.66	ACUITE BB+ (Downgraded & Withdrawn from ACUITE BBB-   Negative)
	Working Capital Term Loan	Long Term	0.46	ACUITE BB+ (Downgraded & Withdrawn from ACUITE BBB-   Negative)
	Term Loan	Long Term	0.35	ACUITE BB+ (Downgraded & Withdrawn from ACUITE BBB-   Negative)
	Proposed Cash Credit	Long Term	7.00	ACUITE Not Applicable (Withdrawn)
	Working Capital Term Loan	Long Term	1.59	ACUITE Not Applicable (Withdrawn)
	Proposed Short Term Loan	Short Term	0.11	ACUITE Not Applicable (Withdrawn)
17 Apr 2023	Proposed Short Term Loan	Short Term	0.11	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB-   Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	4.48	ACUITE BBB-   Negative (Reaffirmed (Stable to Negative))
	Working Capital Term Loan	Long Term	1.59	ACUITE BBB-   Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	24.38	ACUITE BBB-   Negative (Reaffirmed (Stable to Negative))
	Working Capital Term Loan	Long Term	2.44	ACUITE BBB-   Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	2.00	ACUITE BBB-   Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	10.00	ACUITE BBB-   Negative (Assigned)
	Proposed Cash Credit	Long Term	7.00	ACUITE BBB-   Negative (Reaffirmed (Stable to Negative))
01 Jul 2022	Proposed Short Term Bank Facility	Short Term	0.68	ACUITE A3 (Upgraded from ACUITE A4+)
	Cash Credit	Long Term	14.44	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)
	Cash Credit	Long Term	3.56	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	8.99	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)
	Term Loan	Long Term	0.22	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)
	Term Loan	Long Term	3.76	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)
	Term Loan	Long Term	27.91	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)
	Term Loan	Long Term	2.44	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BB   Downgraded & Withdrawn ( from ACUITE BB+ )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	04 Jul 2024	0.71	Simple	Not Applicable Withdrawn
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Jun 2029	20.72	Simple	ACUITE BB   Downgraded & Withdrawn ( from ACUITE BB+ )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Nov 2029	11.65	Simple	ACUITE BB   Downgraded & Withdrawn ( from ACUITE BB+ )
State Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Dec 2026	1.98	Simple	ACUITE BB   Downgraded & Withdrawn ( from ACUITE BB+ )

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Archita Sharma Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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