

June 09, 2015

## CARE ASSIGNS 'CARE BB' AND 'CARE A4' RATINGS TO THE BANK FACILITIES OF CORAL PLUS CERAMIC PRIVATE LIMITED

### Ratings

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	5	<b>CARE BB (Double B)</b>	Assigned
Short-term Bank Facilities	2.35	<b>CARE A4 (A Four)</b>	Assigned
<b>Total</b>	<b>7.35</b>		

### Rating Rationale

The ratings assigned to the bank facilities of Coral Plus Ceramic Private Limited (CPCPL) are constrained primarily on account of its modest scale of operations and its presence in the highly fragmented and competitive ceramic tile industry with fortunes dependent upon the growth of the cyclical real estate industry. The ratings are further constrained on account of working capital intensive nature of its operations and susceptibility of profit margins to volatility in raw material and fuel (natural gas) prices.

The ratings, however, derive strength from the established operational track record of CPCPL, vast experience of the promoters in the ceramic industry coupled with its location in the ceramic tiles hub with easy access to raw material, power and fuel. The ratings further derive strength from moderate profitability, comfortable capital structure and comfortable debt coverage indicators.

The ability of CPCPL to increase its scale of operation along with the improvement in the profitability through efficient management of raw material price fluctuations and working capital requirement are the key rating sensitivities.

### Background

Incorporated in 2009, Morbi-Gujarat based CPCPL is a part of "Coral Group" and was promoted by Mr Narayanbhai Zalariya along with four other promoters. CPCPL was initially engaged in the manufacturing of ceramic floor tiles but subsequently in FY12 (refers to the period April 1 to March 31), it shifted its business operations to manufacture parking tiles. CPCPL operates from its sole manufacturing facilities located at Morbi with an installed capacity to produce 7,000 boxes per day as on March 31, 2014.

The promoters of "Coral Group" are also engaged in manufacturing of ceramic and vitrified tiles through its group companies, Coral Ceramic Private Limited (rated 'CARE BB/A4', assigned in March 2015), Coral Gold Tiles Private Limited and Coral Granito Private Limited (rated 'CARE BBB-/A3', reaffirmed in February 2015). During FY14, the Coral group has achieved the aggregate turnover of Rs.225.02 crore.

As per the audited results of FY14, CPCPL reported profit after tax (PAT) of Rs.0.82 crore on a total operating income (TOI) of Rs.29.85 crore as against PAT of Rs.0.83 crore on a TOI of Rs.26.21 crore in FY13.

### Analyst Contact

Name: Nitin Jha

Tel: 079- 40265619

Email: [nitin.jha@careratings.com](mailto:nitin.jha@careratings.com)

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

**Disclaimer:** CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications



## CONTACT

### Head Office Mumbai

**Mr. D.R. Dogra**

Managing Director  
Mobile: +91-98204 16002  
E-mail: dr.dogra@careratings.com

**Mr. Rajesh Mokashi**

Dy. Managing Director  
Mobile: +91-98204 16001  
E-mail: rajesh.mokashi@careratings.com

**Ms. Meenal Sikchi**

Vice President - Bank Loan & Instrument Rating  
Mobile: +91-9819009839  
E-mail: meenal.sikchi@careratings.com

**Mr. Ankur Sachdeva**

Vice President - Bank Loan & Financial Services  
Mobile: +91-9819698985  
E-mail: ankur.sachdeva@careratings.com

**CREDIT ANALYSIS & RESEARCH LIMITED**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022  
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

*Other Office:*

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069  
Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

**AHMEDABAD****Mr. Mehul Pandya**

32, Titanium, Prahaladnagar Corporate Road,  
Satellite, Ahmedabad - 380 015  
Cell: +91-98242 56265  
Tel: +91-79-4026 5656  
E-mail: mehul.pandya@careratings.com

**JAIPUR****Mr. Harsh Raj Sankhla**

304, Pashupati Akshat Heights, Plot No. D-91,  
Madho Singh Road, Near Collectorate Circle,  
Bani Park, Jaipur - 302 016.  
Cell: +91 - 94139 69100  
Tel: +91-141-402 0213 / 14  
E-mail: harshraj.sankhla@careratings.com

**BENGALURU****Mr. Dinesh Sharma**

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,  
No. 30, M.G. Road, Bangalore - 560 001.  
Cell: +91-99000 41975  
Tel: +91-80-4115 0445, 4165 4529  
E-mail: dinesh.sharma@careratings.com

**KOLKATA****Ms. Priti Agarwal**

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)  
10A, Shakespeare Sarani, Kolkata - 700 071.  
Cell: +91-98319 67110  
Tel: +91-33- 4018 1600  
E-mail: priti.agarwal@careratings.com

**CHANDIGARH****Mr. Sajan Goyal**

2nd Floor, S.C.O. 196-197, Sector 34-A,  
Chandigarh - 160 022.  
Cell: +91 99888 05650  
Tel: +91-172-5171 100 / 09  
Email: sajan.goyal@careratings.com

**NEW DELHI****Ms. Swati Agrawal**

13th Floor, E-1 Block, Videocon Tower,  
Jhandewalan Extension, New Delhi - 110 055.  
Cell: +91-98117 45677  
Tel: +91-11-4533 3200  
E-mail: swati.agrawal@careratings.com

**CHENNAI****Mr. V Pradeep Kumar**

Unit No. O-509/C, Spencer Plaza, 5th Floor,  
No. 769, Anna Salai, Chennai - 600 002.  
Cell: +91 98407 54521  
Tel: +91-44-2849 7812 / 0811  
Email: pradeep.kumar@careratings.com

**PUNE****Mr. Rahul Patni**

9th Floor, Pride Kumar Senate,  
Plot No. 970, Bhamburda, Senapati Bapat Road,  
Shivaji Nagar, Pune - 411 015.  
Cell: +91-78754 33355  
Tel: +91-20- 4000 9000  
E-mail: rahul.patni@careratings.com

**HYDERABAD****Mr. Saikat Roy**

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,  
Hyderabad - 500 029.  
Tel: +91-40-4010 2030  
E-mail: saikat.roy@careratings.com

CIN - L67190MH1993PLC071691