

Antonova Tiles (India) Private Limited

February 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	14.65	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	2.05	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Antonova Tiles (India) Private Limited (ATPL) to monitor the ratings vide e-mail communications dated December 24, 2024, December 25, 2024, December 26, 2024, and December 28, 2024 amongst others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings.

In line with the extant SEBI guidelines, CARE Ratings Ltd. (CARE Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating.

Further, ATPL has not paid the surveillance fees for the rating exercise agreed to in its rating agreement. In line with the extant SEBI guidelines, CARE Rating Limited's rating on ATPL's bank facilities will now be denoted as CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Ratings have been revised on account of non-availability of the requisite information to conduct the review.

The ratings assigned to the bank facilities of Antonova Tiles (India) Private Limited (ATPL) continues to remain constrained on account of moderate scale of operations and profitability during FY24 (Audited; refers to the period April 01 to March 31). The ratings also take into consideration its moderate capital structure and debt coverage indicators along with stretched liquidity during FY24. The ratings, further, continues to remain constrained on account of susceptibility of profit margins to volatility in raw material and fuel costs, presence in a highly competitive ceramic industry with fortunes linked to demand from cyclical real estate sector.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects that ATPL is likely to sustain its overall moderate financial risk profile marked by scale of operation, profitability and capital structure and continue to derive benefit from experience of promoters and location.

Detailed description of key rating drivers:

At the time of last rating on December 07, 2023, the following were the rating strengths and weaknesses considered (updated for the audited financials of FY24 taken from MCA).

Key weaknesses

Moderate scale of operations and profitability

Scale of operations marked by TOI remained at similar level at Rs. 44 crore during FY24 as against Rs.51 crore during FY23. Profitability also remained stable as marked by Profit before interest, lease, depreciation and tax (PBILDT) margin of 9.25% in FY24 as against 9.35% during FY23. Gross cash accruals (GCA) also remained stable at Rs. 2.33 crore as against Rs. 2.64 crore during FY23.

Moderate capital structure and debt coverage indicators

Capital structure of ATPL improved marked by overall gearing of 0.89 times as on March 31, 2024, as against 1.49 times as on March 31, 2023. Improvement in capital structure is on account of increase in net worth with accretion of profits to reserves coupled with reduction in outstanding total debt with scheduled repayment of term loans as on March 31, 2024.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Debt coverage indicators remained moderate marked by TDGCA of 4.29 years as on March 31, 2024, as against 6.05 years as on March 31, 2023. Interest coverage ratio also remained moderate and in similar lines at 2.43 times during FY24 as against 2.29 times during FY23.

Susceptibility of profit margins to volatility in raw material and fuel costs

Prices of raw material i.e. clay & feldspar is market driven and expected to put pressure on the margins of tile manufacturers. The profitability of ATPL remains exposed to volatile natural gas prices, mainly on account of its linkages with the international demand-supply of natural gas. Hence, ATPL's ability to control its cost structure would be crucial going forward especially in light of a competitive environment.

Presence in a highly competitive ceramic industry with fortunes linked to demand from cyclical real estate sector

ATPL operates in a highly competitive segment of the ceramic industry marked by low entry barriers, presence of large number of organized and unorganized players with capex planned by existing players in the industry as well as new entrants. This situation is likely to increase the level of competition which is expected to put pressure on profitability of the manufacturers. However, ATPL derives the marketing and distribution benefit from the associate entities.

Key strengths

Experienced promoters

All promoters of ATPL have almost 2 decades of experience in the same line of business through their associate entities and they jointly manage the day to day operations. Overall, operations of the entity are also supported by other qualified employees as well for day to operations and management.

Accessibility to existing selling and distribution network of the associate companies

The promoters of the company have long experience in the ceramic industry through their association with its associate entities. These associate entities are majorly engaged into manufacturing of ceramic tiles. ATPL has an advantage of established selling and distribution network of its associate companies in all over India which will be later replaced by its own setup of dealer and marketing network

Located in the ceramic hub with easy access to raw material, fuel and labor

The manufacturing unit of ATPL is located at Morbi in Gujarat which is one of the largest ceramic clusters in India. Primary raw materials i.e. various types of clay and minerals are easily available from Gujarat. ATPL uses natural gas as a fuel. Also coal powder which is used in hot air dryer is sourced from local suppliers. Moreover, the vicinity of the city with major ports (such as Kandla and Mundra) also lowers the transportation cost and thus helps the exporters of ceramic tiles from this region.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Sanitary Ware

Morbi (Gujarat) based ATPL was incorporated during March 2014 as a private limited company by four promoters, Mr. Satishbhai Bopaliya, Mr. Ashvinkumar Gami, Mr. Harikrushna Jakashania, Mr. Chirag Dadhaniya and started its commercial production from August 2018 onwards. ATPL changed its line of business from manufacturing of ceramic Digital Wall tiles to 2 x 2 porcelain floor

tiles from financial year 2022. It operates from its sole manufacturing unit located at Morbi, Gujarat with an installed capacity of 12000 boxes per day as on March 31, 2023.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	50.90	44.39
PBILDT	4.76	4.11
PAT	0.77	0.50
Overall gearing (times)	1.49	0.89
Interest coverage (times)	2.29	2.43

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	7.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31/3/2026	7.65	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	2.05	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	7.65	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (07-Dec-23)	1)CARE BB-; Stable (28-Dec-22)	1)CARE BB-; Stable (28-Jan-22)
2	Fund-based - LT-Cash Credit	LT	7.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (07-Dec-23)	1)CARE BB-; Stable (28-Dec-22)	1)CARE BB-; Stable (28-Jan-22)
3	Non-fund-based - ST-Bank Guarantee	ST	2.05	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (07-Dec-23)	1)CARE A4 (28-Dec-22)	1)CARE A4 (28-Jan-22)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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