

## Alfa Ica (India) Limited

December 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term / Short-term bank facilities	12.00	CARE BBB; Stable / CARE A3	Reaffirmed
Short-term bank facilities	0.30	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to bank facilities of Alfa Ica (India) Limited (AIIL) continue to derive strength from its experienced management and established track record of operations, comfortable capital structure, moderate debt coverage indicators and adequate liquidity.

However, ratings continue to remain constrained, considering its modest scale of operations and moderate profitability and working capital intensive its operations. Ratings further continue to remain constrained due to susceptibility of AIIL's profit margins to volatility in its raw materials prices, exposure to foreign exchange fluctuation risk and its presence in a highly fragmented and competitive laminate industry.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Significant growth in scale of operations with increase in profit before interest, lease rentals, depreciation and tax (PBILDT) margin to over 10% on a sustained basis.
- Improvement in capital structure and augmentation of net worth base to over ₹75 crore.

#### Negative factors

- Significant decline in total operating income or profitability.
- Elongation of operating cycle to over 125 days.
- Moderation in debt coverage indicators with PBILDT interest coverage below 2.5x and total debt to PBILDT (TD/PBILDT) above 3x.

**Analytical approach:** Standalone

### Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation that the entity shall continue to benefit from its experienced promoters and established brand name in the laminate industry in the medium term.

### Detailed description of key rating drivers:

#### Key strengths

##### Experienced management

Rishi Tikmani and Pooja Tikmani (Executive Directors of the company) hold experience of over a decade in the same line of business, while the company has an overall operational track record of over 25 years. Due to established presence of AIIL in laminate business, it has developed good relationship with its customers and suppliers

##### Comfortable capital structure on a modest networth base

As on March 31, 2025, capital structure of AIIL continued to remain comfortable marked by overall gearing of 0.50x (0.34x as on March 31, 2024). Tangible net worth remained modest at ₹28.22 crore as on March 31, 2025 (PY: ₹26.78 crore). Capital structure continued to remain comfortable in current year as well with overall gearing of 0.43x at H1FY26-end.

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

Debt coverage indicators also remained moderate marked by PBILDT interest coverage of 2.59x and TD to gross cash accruals (GCA) of 4.82 in FY25 (2.97x and 3.33 respectively in FY24). PBILDT interest coverage continued to remain moderate in H1FY26 as well at 2.40x.

### **Key weaknesses**

#### **Modest scale of operations and moderate profitability**

In FY25, AIIL's total operating income (TOI) grew by ~15% y-o-y and remained modest at ₹79.39 crore compared to ₹69.30 crore in FY24 owing to increase in both, sales volume and sales realisation. In H1FY26, AIIL reported TOI of ₹38.56 crore (PY: ₹37.93 crore). Exports constituted major portion of sales at 78% in FY5 (77% in FY24). AIIL exports mainly to the UK, Australia, New Zealand, Russia, Israel and Singapore.

Operating profitability of AIIL marked by its PBILDT margin remained stable at 6.64% (PY: 7.01%) in FY25. Raw material is the major cost, and it primarily includes kraft & design paper, and formaldehyde and melamine. In H1FY26, AIIL reported PBILDT margin of 6.19% (6.83% H1FY25).

#### **Working capital intensive operations**

Laminate business is working capital intensive, since products are made of different types of papers, wide variety of colours and chemicals, which necessitates significant investment in raw material inventory. Majority papers are imported, which have lead time ranging from 2-6 months from the date of order placement. Hence, the company has to keep raw material (mainly papers) readily available at their site to take care of customer's specific requirement in a timely manner, which increases raw material inventory of the company. In FY25, the company's operating cycle stood elongated at 103 days (PY: 111 days) largely driven by inventory holding period of 79 days (PY: 93 days) while collection period remained moderate at 51 days (PY: 46 days).

#### **Susceptibility of profit margin to volatility in raw material price and foreign exchange rate fluctuation**

Major raw materials for the company include, design papers, kraft papers, printed papers, melamine and formaldehyde. Price of its key raw materials exhibit volatility rendering its profitability susceptible to raw material price volatility. The company imports kraft & design papers and melamine. Imports constituted ~40% of the total raw material cost of the company for three years ended FY25. AIIL primarily caters to the overseas market and exports stood at ₹59.59 crore ~78% of gross sales in FY25 (FY24: ~77% and FY23: ~75%). The company is a net exporter and hence does not follow active hedging policy. In FY25, AIIL reported net forex gain of ₹0.84 crore against net forex gain of ₹0.81 crore in FY24.

#### **Liquidity: Adequate**

AIIL's liquidity continued to remain adequate marked by moderate utilisation of its working capital limit, positive cashflow from operations (CFO) and nil scheduled debt repayment. Average utilisation of fund-based working capital limit for 12 months ended October 2025 remained moderate at ~70%. CFO remained positive at ₹1.96 crore in FY25. AIIL had cash and cash equivalents of ₹0.59 crore as on September 30, 2025.

AIIL has receivables of ₹2.68 crore from the UK-based International Decorative Surfaces, which ceased operations and is now under administration (insolvency process). The company anticipates only partial recovery and hence, ~60% has been written-off and balance shall be written-off in due course. Receivables from another US-based entity amounting to ₹0.34 crore are also outstanding for over six months. However, AIIL expects full recovery in this case.

**Assumptions/Covenants:** Not applicable

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

#### **Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[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	Plywood boards/ laminates

Promoted by Rajendra Tikmani, Ahmedabad-based (Gujarat) AIIL (CIN: L20100GJ1991PLC016763) was incorporated in 1991 and presently the company is being managed by Rishi Tikmani and Pooja Tikmani, second generation of Tikmani family. AIIL is engaged in manufacturing commercial grade decorative laminate sheets, which are used in furniture & fixtures. AIIL caters primarily to overseas market with over 70% of sales from exports. The company is selling the laminates under the brand name of 'Alfaica'. AIIL has established two units in Sanand for manufacturing laminates and has installed capacity of 21 lakh sheets per annum as on March 31, 2025. AIIL has ISO 9001:2000 certification for management system and ISO 14001:2004 certification for environmental management system and AIIL is a recognised star export house by the Government of India.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	69.30	79.39	38.56
PBILDT	4.86	5.27	2.39
PAT	1.68	1.44	0.95
Overall gearing (times)	0.34	0.50	0.43
Interest coverage (times)	2.97	2.59	2.40

A: Audited UA: Unaudited; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-CC/Packing Credit	-	-	-	-	12.00	CARE BBB; Stable / CARE A3
Non-fund-based - ST-Letter of credit	-	-	-	-	0.30	CARE A3

**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 2025-2026	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
1	Fund-based - LT/ST-CC/Packing Credit	LT/ST	12.00	CARE BBB; Stable / CARE A3	-	1)CARE BBB; Stable / CARE A3 (26-Dec-24)	1)CARE BBB; Stable / CARE A3 (04-Jan-24)	1)CARE BBB; Stable / CARE A3 (30-Dec-22)
2	Non-fund-based - ST-Letter of credit	ST	0.30	CARE A3	-	1)CARE A3 (26-Dec-24)	1)CARE A3 (04-Jan-24)	1)CARE A3 (30-Dec-22)

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/ ST-CC/Packing Credit	Simple
2	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of rated instruments:** CareEdge 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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