Millennia Tiles Private Limited

January 12, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	41.39 (Reduced from 46.74)	CARE BB+; Stable	Upgraded from CARE BB and removed from Rating Watch with Developing Implications; Stable outlook assigned
Long Term / Short Term Bank Facilities	5.30	CARE BB+; Stable / CARE A4+	Upgraded from CARE BB / CARE A4 and removed from Rating Watch with Developing Implications; Stable outlook assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has removed the 'Rating Watch with Developing Implications' and upgraded the ratings assigned to the bank facilities of Millennia Tiles Private Limited (MTPL) and assigns a 'Stable' outlook. Earlier on March 10, 2025, the ratings were placed under 'Rating Watch with Developing Implications' following MTPL's management's articulation of divesting majority equity stake to Hella Infra Market Limited (HIML). The rating action follows successful completion of the said divestment of controlling (51%) equity stake to HIML.

For arriving at the ratings of MTPL, CareEdge Ratings has taken a combined analytical view of MTPL, Millennia Ceramica Private Limited (MCPL; rated CARE BB+;Stable/CARE A4+) and Millennium Tiles LLP (MTL; rated CARE BB+;Stable/CARE A4+) as these entities as they are engaged in the similar line of business (i.e. manufacturing of ceramic tiles) and have common promoters. They are together referred as "MG Group".

Revision in the ratings assigned to the bank facilities of MG Group factors strong parentage with acquisition of 51% equity stake by HIML, a leading manufacturer and aggregator of diverse set of construction materials.

Ratings assigned to the bank facilities of MG group continue to remain constrained due to its leveraged capital structure and moderate debt coverage indicators, its presence in highly fragmented industry with fortunes dependent upon cyclical real estate market, profitability susceptible to volatile natural gas, propane and key raw material prices and stretched liquidity.

Ratings, however, continue to derive strength from MG Group's experienced and resourceful promoters with an established presence in the ceramic tile industry, location advantage by being present in the ceramic tile cluster, accessibility to existing selling and distribution network of the associate companies as well as HIML. Ratings also derives strength from moderate scale of operations and profitability and moderate customer concentration risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in total operating income (TOI) to over ₹325 crore on a sustained basis, while maintaining its profitability.
- Improvement in capital structure marked by reduction in overall gearing below unity and improvement in liquidity position leading debt service coverage ratio (DSCR) of more than 2x**.**
- Strengthening of linkages with HIML through equity infusion and/or corporate guarantee extended by HIML, leading to an improvement in the overall financial risk profile.

Negative factors

- Deterioration in overall gearing beyond 2.50x on a sustained basis.
- Decline in scale of operations below ₹200 crore and Profit before interest, lease rentals, depreciation and taxes (PBILDT) margin below 10% on sustained.
- Significant deterioration in credit risk profile of parent, HIML.

Analytical approach: Combined along with factoring linkages with HIML

For arriving at the ratings of MTPL, CareEdge Ratings has taken a combined approach of MCPL, MTPL and MTL as these entities are a part of 'Millennium Group', are engaged in the similar line of businesses (i.e. manufacturing of ceramic tiles) and have common promoters. They are together referred as "MG Group". List of entities getting combined/consolidated is placed at Annexure-6.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Outlook: Stable
The Stable outlook reflects CareEdge Ratings' expectation that the MG group will benefit from extensive experience of promoters in the ceramic industry and strong parentage of HIML, a leading manufacturer and aggregator of diverse set of construction materials.

Detailed description of key rating drivers:

Key weaknesses

Leveraged capital structure and moderate debt coverage indicators
Capital structure of MG group remains leveraged as marked by overall gearing of 1.67x as on March 31, 2025 (FY23: 1.84x). Higher reliance on debt for setting up of greenfield projects and additional loans for solar projects on a modest net worth base of ₹78.62 crores as on March 31, 2025 (₹79.80 as on March 31,2024) has resulted in a leveraged capital structure. The PBILDT interest coverage for MG group remained moderate 2.20x in FY25 (FY24: 2.92x). The total debt to gross cash accruals (TDGCA) remained modest at 8.90x (FY23:6.57x) in FY25.

Presence in highly fragmented industry with fortunes dependent upon real estate market
The ceramic tile industry in India is highly competitive. Low entry barriers, easy availability of raw material and limited initial capital investment requirement has attracted large influx of unorganized and regional players. Moreover, the ceramic tile industry has strong linkages with the real estate industry, which, in India is highly fragmented and cyclical.

Exposure to volatile natural gas and key raw material prices
The prices of major raw material i.e. clay and fuel (natural gas/propane) constitute a major part of the cost structure of an entity in the ceramic tile industry. Considering prices of both (clay and fuel) are market driven, inability of the company to pass it on to its customers may exert pressure on profitability of the company. However, flexibility to use propane mitigates the risk of volatility in natural gas prices and vice versa, to a certain extent and provides the group with alternative source of energy.

Key strengths

Strong parentage
HIML acquired 51% equity stake in "Millennium Group" from its promoter. Presently, HIML holds 51% while balance equity stake is being held by erstwhile promoter. Hella Group, headquartered in Thane, operates as a manufacturer and aggregator of diverse construction materials. The group offers an extensive portfolio of industrial products (concrete, steel, cement, aggregates), building materials and services (walling, wood, plumbing, roofing), consumer interior essentials (tiles and sanitary ware, modular kitchens, hardware, paints, electrical appliances), and chemical compounds. The acquisition of majority stake by HIML provides the group with strategic and financial support, enhancing operational stability and growth prospects.

Experienced and resourceful promoters and established selling and distribution network
MTPL is a part of 'Millennium group'. Majority of the directors and promoters have vast experience in the ceramic tile industry and are assisted by a team of professionals. The group is a conglomerate of various entities which have diversified business operations with core business of ceramic tiles. Exports from all the group entities is routed through its group entity i.e. Millennium Overseas, which holds export license for multiple countries. Hence, MG Group has an added advantage in terms of access to established selling and distribution network of the Millennium group across India and overseas.

Moderate scale of operations with stable profitability and low customer concentration risk
In FY25, MG Group's TOI remained stable at ₹221 crore as against ₹264 crore in FY24. The PBILDT margin also remained stable 12.34% as against 12.39% in FY24. Profit after tax (PAT) margin however remained low at 0.68% in FY25 (FY24: 0.89%) owing to higher finance cost and depreciation expense. Gross cash accruals (GCA) stood at ₹14.7 crore in FY25 marginally declined from ₹22.39 crore owing to decline in scale. In 8MFY26, MG group has reported TOI of ₹158.53 crore (Prov.).
The customer concentration risk has increased but remains moderate, with top 5 customers contributing around 41% of TOI in FY25 (FY24: 28%)

Location advantage with presence in the ceramic tile manufacturing cluster
Manufacturing facilities of all the entities of MG group are located at Morbi in Gujarat which is the largest ceramic cluster in India & second largest in the world. Moreover, proximity of major ports (such as Kandla and Mundra) also lowers the transportation cost and facilitates timely export.

Liquidity: Stretched

MG group's liquidity position remains stretched on account of tightly marched GCA against its debt repayment obligation and modest cash and bank balance. MG group is expected to earn GCA of around ₹23-27 crore from FY26-28, vis-à-vis repayment ranging from ₹19-23 crore. As articulated by the management, HIML is in process of extending corporate guarantee to MG Group and has articulated to support its operations by way of infusion of unsecured loan/equity on need basis.

MG group has sanctioned working capital limits of ₹41 crore, average utilisation of which, remains high at ~95% for trailing 12-month period ended on October 2025 whereas the maximum utilization during the same period ~98%.

As on March 31, 2025, MG Group had low free cash & bank balance of ₹0.22 crore (₹ 0.33 crore). Working capital cycle of MG group elongated to 119 days in FY25 from 97 days in FY24 due to high average collection period of 111 days (FY24: 101 days) with debtors outstanding for more than 6 months constituting around 8.31% of total debtors as on the balance sheet data (i.e. March 31, 2025). However, cashflow from operations was positive of ₹69.10 crore in FY25 as against negative cashflow from operations of ₹1.02 crores during FY24 owing higher credit period availed from suppliers and decrease in operational current assets.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Consolidation
Definition of Default
Factoring Linkages Parent Sub JV Group
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	Ceramics

Incorporated in November 2020, Millennia Tiles Private Limited (MTPL) is a part of the Morbi-based Millennium group, now acquired by HIML. The project was initiated by the Millennium group as a greenfield venture for the manufacturing of glazed vitrified tiles (GVT) with a total installed capacity of 4,500,000 square meters per annum (equivalent to 1 lakh metric tonnes). The company has been operational since May 2022, and the manufacturing facility is located at Bhadiyad Village in Morbi, Gujarat.

Brief Financials (₹ crore)-Combined-MG Group	March 31, 2024 (UA)	March 31, 2025 (UA)	8MFY26 (UA)
Total operating income	263.63	220.94	153.58
PBILDT*	32.67	27.27	NA
Profit after tax (PAT)	2.35	1.50	NA
Overall gearing (x)	1.84	1.67	NA
Interest coverage (x)	2.92	2.20	NA

A: Audited UA: Unaudited; Note: these are latest available financial results NA: Not available

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Brief Financials (₹ crore)-Standalone-MTPL	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26 (UA)
Total operating income	80.07	75.26	53.08
PBILDT*	11.76	11.36	NA
Profit after tax (PAT)	-0.66	2.45	NA
Overall gearing (x)	1.82	1.42	NA

Interest coverage (x)	2.59	2.44	NA

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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		-	-	-	13.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	July 2029	28.39	CARE BB+; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	5.30	CARE BB+; Stable / CARE A4+

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	LT/ST	-	-	-	-	1)Withdrawn (27-Mar-24)	1)CARE BB; Stable / CARE A4 (23-Feb-23) 2)CARE BB; Stable / CARE A4 (05-Jan-23)
2	Fund-based - LT-Cash Credit	LT	13.00	CARE BB+; Stable	-	1)CARE BB (RWD) (10-Mar-25)	1)CARE BB; Positive (27-Mar-24)	1)CARE BB; Stable (23-Feb-23) 2)CARE BB; Stable (05-Jan-23)
3	Fund-based - LT-Term Loan	LT	28.39	CARE BB+; Stable	-	1)CARE BB (RWD) (10-Mar-25)	1)CARE BB; Positive (27-Mar-24)	1)CARE BB; Stable (23-Feb-23) 2)CARE BB; Stable (05-Jan-23)
4	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	5.30	CARE BB+; Stable / CARE A4+	-	1)CARE BB / CARE A4 (RWD) (10-Mar-25)	1)CARE BB; Positive / CARE A4 (27-Mar-24)	1)CARE BB; Stable / CARE A4 (23-Feb-23) 2)CARE BB; Stable / CARE A4 (05-Jan-23)

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 - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Millennia Ceramica Private Limited	Full	Operational and financial linkages
2	Millennium Tiles LLP	Full	Operational and financial linkages

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.

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