MONOLITH SURFACES LLP

March 11, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	38.61	CARE BB; Stable	Assigned
Short Term Bank Facilities	5.00	CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Monolith Surfaces LLP (MSL) remained constrained on account of moderate scale of operations and profitability, moderate capital structure and debt coverage indicators as well as stretched liquidity. The ratings also factor in MSL's presence in a highly competitive ceramic industry, its dependence on demand from the cyclical real estate sector, the susceptibility of its profit margins to volatility in raw material and fuel prices, and the inherent limitations associated with its constitution as a limited liability partnership.
The ratings, however, derive strength from experienced promoters and locational advantage in form of easy access to raw material, fuel, and labour.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustainable improvement in scale of operations as marked by Total Operating Income (TOI) above ₹200 crore while improving PBILDT margins above 8%
- Improvement in capital structure with overall gearing ratio below 1.5x

Negative factors

- Deterioration in capital structure marked by overall gearing of higher than 2.5x
- Elongation in operating cycle above 120 days

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that MSL continue to benefit from experience of promoters in ceramic industry and location advantage with presence in Morbi, Gujarat. Also, it is expected that entity will derive benefits from modernisation capex.

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operations and profitability

MSL is engaged in manufacturing of glazed vitrified tiles and commenced commercial operations from October 2022. The firm's scale of operations has remained moderate, with TOI improving to ₹135.30 crore in FY25 from ₹119.70 crore in FY24, supported by increased sales of larger-sized tiles. During H1FY26, the firm reported TOI of ₹70.34 crore. Profitability has remained at a moderate level as marked by PBILDT margin at 7.78% in FY25, broadly in line with FY24. The PAT margin, however, declined to 0.87% in FY25 from 1.58% in FY24, although the absolute profit remained largely similar.
In Q3FY26, MSL undertook a capacity-upgradation project to enhance the plant's capability to manufacture high-end, premium-design tiles. The project cost of ₹7 crore was funded through a ₹2.45 crore term loan, with the balance met through unsecured loans from partners and relatives. The capex was completed in February 2026, and commercial operations began in March 2026. Going further, with the commissioning of the enhanced capacity and the expected commencement of a 5 MW solar power plant from October 2026, the firm's scale of operations and profitability is anticipated to improve.

Moderate capital structure and debt coverage indicators

The firm's capital structure remained moderate, with an overall gearing of 1.85x as on March 31, 2025, broadly in line with FY24. This is primarily due to its moderate net worth base relative to its debt profile, which comprises the term loan availed for project setup, unsecured loans, and working capital borrowings. Debt coverage indicators also remained moderate, with an interest coverage ratio of 2.30x in FY25 (2.19x in FY24).

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

Presence in a highly competitive ceramic industry and fortune linked to demand from cyclical real estate sector
MSL operates in highly competitive segment of the ceramic industry marked by presence of large number of organized and unorganized players and low entry barriers which may result in new entrants. This situation could further increase the level of competition and further put pressure on profitability of the manufacturers. Also, most of the demand for tiles comes from the real estate industry, which, in India is highly fragmented and cyclical. Thus, any negative impact on real estate industry adversely affects the prospects of ceramic tiles industry as well as the entity. Susceptibility of operating margins to volatility in raw material and fuel costs Prices of raw material i.e. clay is market driven and puts pressure on the margins of tile manufacturers in case of volatility into the same. Another major cost component is fuel expenses in the gas form to fire the furnace. The profitability of MSL remains exposed to volatile PNG prices, mainly on account of its linkages with the international demand-supply of natural gas. Hence, any adverse movement in material and fuel prices impacts profitability of the entity.

Limited Liability Partnership nature of constitution
Being a limited liability partnership, MSL is exposed to inherent risk of partners' capital being withdrawn at time of personal contingency, and entity being dissolved upon the death/retirement/insolvency of partners which may affect financial flexibility of the firm.

Key strengths

Experienced promoters and well-established presence in the ceramic industry
The promoters of MSL, Mr Himanshu Zalariya, Mr Jayesh Aghara and Mr Dharmikkumar Aghara holds experience of more than a decade in same line of business through their association with other associate entities. MSL will continue to benefit from existing marketing and distribution network of its other associate entities.

Located in the ceramic hub with easy access to raw material, fuel and labour
The manufacturing facilities of MSL is in Morbi, Gujarat which is one of the largest ceramic clusters in India. Primary raw material i.e. clay is easily available from Gujarat and parts of Rajasthan while glaze material (frit) is sourced from various states. MSL uses piped natural gas (PNG) as fuel for firing of kilns which is supplied by a Gujarat State PSU, Gujarat Gas Ltd. Moreover, as major ports (such as Kandla and Mundra) are located in the vicinity of Morbi, it also lowers the transportation cost and helps the exporters of ceramic products from that region.

Liquidity: Stretched

The liquidity position remained stretched, marked by an elongated operating cycle and high reliance on working capital limits. Operating cycle increased to 85 days in FY25 (from 64 days in FY24), primarily due to increase in inventory holding and collection period consequent to increase in scale. Average utilisation of working capital borrowings remained high at around 90% for the 12 months ended February 2026. Unencumbered cash and bank balances remained low at ₹0.42 crore as on March 31, 2025. Cash flow from operating activities (CFO) turned negative at ₹1.95 crore in FY25, compared with a positive CFO of ₹5.29 crore in FY24 owing to increase in working capital requirement with increase in scale of operations. Current ratio and quick ratio stood at 1.30x and 0.82x, respectively (1.16x and 0.83x in FY24). However, gross cash accruals remained adequate at ₹6.51 crore against the debt repayment obligation of ₹4.09 crore arising in FY26.

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	Ceramics

Monolith Surfaces LLP (MSL), established in 2021, is a Limited Liability Partnership firm promoted by Dhruv Rameshchandra Rangpadiya, Kiran Savjibhai Zalariya, Narbherambhai Laxmanbhai Padsumbiya, and other partners. MSL commenced its operations from October 2022. The firm specializes in manufacturing glazed vitrified tiles (GVT), offering product sizes of 800 × 1600 mm and 1200 × 1800 mm. MSL operates a modern manufacturing facility in Morbi, Gujarat, with an installed production capacity of 87,000 MTPA.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (Prov.)
Total operating income	119.70	135.30	70.34
PBILDT*	9.49	10.53	7.37
Profit after tax (PAT)	1.89	1.17	NA
Overall gearing (x)	1.86	1.85	NA
Interest coverage (x)	2.19	2.30	NA

A: Audited Prov.: Provisional NA: Not Available; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	17.00	CARE BB; Stable
Fund-based - LT-Term Loan		-	-	March 2030	21.61	CARE BB; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	5.00	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-Cash Credit	LT	17.00	CARE BB; Stable				
2	Fund-based - LT-Term Loan	LT	21.61	CARE BB; Stable				
3	Non-fund-based - ST-Bank Guarantee	ST	5.00	CARE A4				

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 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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About us:

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