



Press Release

Asian Granito India Limited

July 11, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	145.00	IVR BBB+/Stable (IVR Triple B Plus, Stable Outlook)	IVR BBB+/Stable (IVR Triple B Plus, Stable Outlook)	Rating reaffirmed	Simple
Short Term Facilities	10.00	IVR A2 (IVR A Two)	IVR A2 (IVR A Two)	Rating reaffirmed	Simple
Total	155.00 (Rupees One hundred fifty five crores only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed the rating assigned to the bank facilities of Asian Granito India Limited (AGL) on account of almost stable scale of operations for the period FY24 (refers to the period from April 01, 2023 to March 31, 2024) and FY25 (refers to the period from April 01, 2024 to March 31, 2025) and also reporting of profits for the period post incurring of losses during FY24 and FY23 (refers to the period from April 01, 2022 to March 31, 2023).

The rating takes cognizance of long track record of operations and experienced & resourceful promoters, strong market presence with diversified product profile, extensive distribution network and wide geographically spread customer base and driving growth through strategic initiatives.

The ratings however remained constrained on account of continued subdued performance, exposure to intense competition and market dynamics in the ceramic tiles industry, susceptibility to raw material and fuel price fluctuations adversely affecting the group's profitability and competitiveness, high working capital intensity, impact on receivables, inventory, and credit terms.

The 'Stable' outlook reflects almost stable scale of operations with modest profitability levels, albeit comfortable network base.



Press Release

Key Rating Sensitivities (On Consolidated basis):

Upward Factors

- Significant & sustained improvement in revenue & profitability, leading to an improvement in debt protection parameter along with improvement in Gross Working Capital cycle.

Downward Factors

- Any decline in revenue and/or profitability arising out of company/sector specific reasons leading to deterioration of debt protection parameters and/or liquidity.
- Any major unplanned debt-funded capex leading to strain in debt protection metrics and capital structure of the company / group

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Long track record of operations and experienced & resourceful promoters

The Asian Granito India Limited (AGL) was established in 2002 by Mr. Kamlesh Patel and Mr. Mukesh Patel. The promoters have extensive experience of over two decades in the aforementioned line of business. The group has experienced second line of management as well with people having experience of more than a decade in their respective fields. The group has established good relations with customers and suppliers in domestic as well as global markets. The promoters are resourceful with the past track record of extending support to the group.

Strong market presence with diversified product profile, extensive distribution network and wide geographical and customer base

The group has established itself as a prominent player in the Indian tiles industry with annual capacity of 54.50 million sq meters per annum. Through strategic management efforts, the group has successfully built a portfolio of several brands, namely AGL, Crystal, Amazoone, Future Ceramic, AGL Sanitaryware and AGL Surfaces. These brands cater to a wide range of products with varied price points catering to majority of type of products such as ceramic wall and floor tiles, vitrified tiles, quartz, marble and sanitaryware.



Press Release

Further, over the years the company has built its presence in the domestic as well as the export market through its distribution network comprising over 750+ effective dealers and distributors network across India. In case of the export market the company has been able to cover various regions such as Middle East, United States, United Kingdom, Europe, Africa, and Asia.

Comfortable capital structure; albeit moderate debt protection metrics

The group's networth remained comfortable at over Rs.1300 crore as on March 31, 2025, backed by the preferential issue, and minor profitability earned for the year FY25. The comfortable networth base led to below unity long term debt to equity, total outside liability to adjusted tangible networth as on March 31, 2024 & March 31, 2025. However, with the losses reported for the period FY24 and modest profits reported for the year FY25, the company reported moderate debt protection metrics.

Improvement in performance in FY25, albeit continued to remain subdued

The company's revenue increased by around ~2% in FY25 as compared to FY24 due to the minor normalization in the operations during the year. However, the overall demand from the export market continued to remain muted for majority of the year due to the logistics issues on account of red sea crisis which delayed shipment and revenue booking. Also with the lower bad debts provisioning, marketing costs incurred for the year and deferred taxes reported for the year, the company reported profit of around Rs.20.56 crore in FY25 as compared to the losses reported of Rs.19.90 crore for the year FY24. With the reporting of profits for the period, the group has also reported cash flow from operations in FY25.

Key Rating Weaknesses

Continued losses in subsidiaries, with support required from AGL

Two of the subsidiaries made substantial losses for the year FY23 and FY24. To mitigate the same, the operations of one of the subsidiaries shifted to manufacturing of parking tiles which are in demand and carry better margins. The second subsidiary has stopped manufacturing tiles and shifted to the manufacturing of frit which carry better margins, however even after these changes there will be continued cash support expected from AGL in the upcoming years. The quantum of support required by these subsidiaries will remain a key rating monitorable.



Press Release

Exposure to intense competition and market dynamics in the ceramic tiles industry

In the highly competitive ceramic tiles industry, the presence of numerous unorganized players adds to the competitive landscape. The AGL group faces stiff competition from renowned brands like Kajaria Ceramics Ltd, H & R Johnson (India) (a division of Prism Cement Ltd), Somany Group, and Orient Bell Ltd. The overall group dynamics, such as operational fungibilities for procuring raw materials at a cheaper price and passing it on to the customers will remain a key rating monitorable. Furthermore, the fortunes of the entire ceramic tile industry is dependent on the fortunes of the highly cyclical and uncertain real estate industry. Accordingly, ability to avail and sustain orders from customers while maintaining its profitability will remain a key rating monitorable.

Susceptibility to raw material and fuel price fluctuations adversely affecting the group's profitability and competitiveness

Raw material and fuel costs represent significant cost components, accounting for approximately 70% to 75% of the group's expenses. The company's profitability is highly sensitive to fluctuations in these areas, as passing on the increase in prices to its customers while maintaining competitive pricing becomes a challenge. Furthermore, with the recent supply issues of affordable gas from ONGC has led to the group relying on spot prices for availing gas. Despite periodic price revisions, the company has struggled to pass on these increases in a timely manner, resulting in a decline in profit margin. Therefore, availing the raw material and fuels at affordable prices and passing on any incremental prices to customers while maintaining its competitiveness in this highly competitive ceramic tile industry will remain a key rating monitorable.

High working capital intensity: impact on receivables, inventory, and credit terms

The company operates in a working capital-intensive industry, with a historical NWC/OI (Net Working Capital to Operating Income) ratio of approximately 30-35%. This high intensity is primarily due to elevated levels of receivables and inventory. AGL typically extends a credit period of up to 90-100 days to its customers while enjoying a credit period of around 75 days from its suppliers. Moreover, the company maintains a significant inventory level, encompassing around 60-70 days of raw material requirements and finished goods, to meet



Press Release

immediate demands. As a result, the company experiences extended overall inventory days, contributing to its working capital requirements.

Analytical Approach: Consolidated

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Criteria on consolidation](#)

Liquidity – Adequate

The company had unencumbered cash and cash equivalent of INR 61.26 crore as of March 31, 2025, against the scheduled repayments if the group of around Rs.50-75 crore per annum for the projected period. As of March 31, 2025, the company's current ratio stood at 2.00x. Over the past 12 months ending in February 2025, the company's average working capital utilization stood at approximately 68%. However, the operating cycle elongated to 97 days as on March 31, 2025 compared to 86 days as on March 31, 2024.

About the Company –

Asian Granito India Limited (AGIL) incorporated in 1995 is a Gujarat based ceramic tiles and sanitaryware manufacturer. Subsequently the company has been listed on the Bombay Stock Exchange and the National Stock Exchange. The group has a product portfolio of wall tiles, floor tiles, vitrified tiles, marble, quartz and sanitaryware with a total installed capacity of ~54.50 million sq. mt per annum. Located in the cities of Himmatnagar, Morbi and Mehsana. The company is undergoing a composite scheme of arrangement, wherein there will be merger/demerger in AGIL group in a phased manner upon completion of all the legal formalities and availability of all the required permissions.



Press Release

Financials (Consolidated):

(Rs. Crore)

For the year ended/ As on*	31-03-2023	31-03-2024	31-03-2025#
	Audited	Audited	Audited
Total Operating Income	1562.72	1530.58	1558.52
EBITDA	-68.11	50.92	75.72
PAT	-86.91	-19.90	20.56
Total Debt	214.38	245.10	296.28
Tangible Net Worth	1246.03	1255.07	1353.77
EBITDA Margin (%)	-4.36	3.33	4.86
PAT Margin (%)	-5.50	-1.29	1.31
Overall Gearing Ratio (x)	0.17	0.20	0.22
Interest Coverage (x)	-2.53	1.62	2.87

* Classification as per Infomerics' standards.

As per the key figures announced.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)				Rating History for the past 3 years		
		Type (Long Term / Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					June 03, 2025	-	March 04, 2024	-
1.	Cash Credit	Long Term	130.50	IVR BBB+; Stable	IVR BBB+; Stable	-	IVR BBB+; Stable	-
2.	Proposed Cash Credit	Long Term	10.00	IVR BBB+; Stable	IVR BBB+; Stable	-	IVR BBB+; Stable	-
3.	Working Capital Demand Loan	Long Term	4.50	IVR BBB+; Stable	IVR BBB+; Stable	-	IVR BBB+; Stable	-
4.	Letter of Credit	Short Term	10.00	IVR A2	IVR A2	-	IVR A2	-



Press Release

Analytical Contacts:

Name: Mr. Amit Bhuwania
Tel: (022) 62396023
Email: abhuwania@infomerics.com

About Infomerics:

Infomerics Valuation And Rating Ltd. (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI). Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks. Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs 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/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
-------------------------------	------	---------------------	---------------------	------------------	------------------------------------	--------------------------------



Press Release

Cash Credit	-	-	-	-	130.50	IVR BBB+; Stable
Proposed Cash Credit	-	-	-	-	10.00	IVR BBB+; Stable
Working Capital Demand Loan	-	-	-	-	4.50	IVR BBB+; Stable
Letter of Credit	-	-	-	-	10.00	IVR A2

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Asian-Granito-11july25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated / Combined analysis:

Name of the company/Entity	Extent of Consolidation as on July 01, 2025
Amazoone Ceramics Limited #	100%
Future Ceramic Private Limited	100%
AGL Sanitaryware Private Limited	100%
AGL Surfaces Private Limited	100%
Affil Ceramics Limited	100%
Ivanta Ceramic Limited	100%
Crystal Vitrified Limited	100%
Adicon Ceramics Limited	100%
D'more Bathware Private Limited (subsidiary of AGL Sanitaryware Private Limited)	100%
Powergrace Industries Limited (subsidiary of Amazoone Ceramics Limited)	100%
Crystal Ceramic Industries Limited	70%
Gresart Ceramica Private Limited	61%
AGL Stones LLP	51%
AGL Surfaces INC – USA	100%
Harmony Surfaces Marbles Trading LLC - Sharjah	100%
Harmony Surfaces Thailand Limited	100%
Klyn AGL Limited - UK	50%
Harmony Surfaces UK Limited	50%
Nepovit Ceramic Private Limited - Nepal	25%

#The company is expected to change its name to AGL Industries Limited.

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.