



Press Release

Maps Granito Private Limited

July 16, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	98.13	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	-	Assigned	Simple
Short Term Facilities	7.00	IVR A3 (IVR A Three)	-	Assigned	Simple
Total	105.13 (Rupees One Hundred Five Crore and Thirteen Lakh 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 assigned the rating to the bank facilities of Maps Granito Private Limited (MGPL) which derives strength from company's experienced and resourceful promoters, strong market presence, wide geographical and customer base. The rating also derives strength from the strategic shift of the company towards manufacturing of Glazed Vitrified Tiles, strengthening financial position through equity infusion by the promoters and adequate liquidity position of the company. The ratings are, however, constrained on account of intense competition in the ceramic tiles industry coupled with cyclicity in the real estate industry, susceptibility to raw material and fuel price fluctuations and high working capital intensive operations.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustainable growth in scale of operations and profitability leading to improvement in the debt protection metrics
- Improvement in working capital cycle strengthening its liquidity



Press Release

Downward Factors

- Any decline in scale of operations leading to deterioration in profit margins and debt protection metrics
- Any major debt funded capex undertaken by the company leading to deterioration in the capital structure and/ or liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Well experienced promoters in the ceramic tiles industry**

The promoter Rupeshkumar Maganlal Kotadiya has over two decades of experience in the ceramic tile industry which not only has enabled the company to scale up in the past fiscals but also garner repeat orders from its customers while procuring raw material from its suppliers at adequate terms. The other promoters too have more than a decade experience. The promoters look after the day-to-day operations of the company.

- **Location advantage given the presence in the ceramic cluster of Morbi, Gujarat**

MGPL is located in the ceramic cluster of Morbi, Gujarat which accords it the location advantage in terms of raw material availability (Gujarat and Rajasthan) also effecting on the logistic costs as also skilled labour. Further, vicinity to Gandhidham sea port also provides necessary access for exports. Morbi, further remains well connected with the rest of the country through rail and road network.

- **Moderate financial risk and capital structure of the company**

MGPL's topline (comprises of both manufacturing and trading) has improved by ~22% in FY24(refers to period April 01, 2023 to March 31, 2024) (Prov.) compared to FY23. The company has reported top line of Rs. 262.90 crore in FY24 (P) compared to Rs. 215.74 crore in FY23. MGPL has undergone a strategic transformation in FY21 - FY22 by looking at the market trend. It converted its product Double Charge Vitrified Tiles into Glazed Vitrified Tiles, which is the only product manufactured by the company now. There is a decline in EBITDA margin to 7.93% in FY24 (P) as against 8.69% in FY23 due to increase in fuel cost and advertisement expenses for the launching and exhibition of the product. PAT has improved in absolute terms to Rs. 4.33 crore in FY24 (P) as against Rs. 2.41



Press Release

crore in FY23. PAT margin has also improved to 1.63% in FY24(P) as against 1.10% in FY23. MGPL's adjusted net worth has improved with the infusion of additional fund to the tune of Rs.5.80 crores in FY23 in the form of unsecured loans from Directors & relatives. Company's, adjusted net worth stood at Rs. 81.73 crore as on March 31st, 2024 (P). Company's overall gearing ratio stood at 1.27x, while interest coverage ratio stood at 2.05x as on March 31st, 2024 (P).

Key Rating Weaknesses

- **Vulnerability to changes in raw material and fuel prices:**

Major manufacturing cost component in ceramic tile industry are raw material (clay) and power, fuel which determine the cost competitiveness and company's profitability in the industry. The company is exposed to raw material and fuel price fluctuations impacting the cost structure and margins. The company has witnessed the decline in profit margins due to adverse movements in these critical inputs costs.

- **Intense competition and cyclical in real estate industry**

The tile manufacturing industry is characterised by intense competition due to low entry barriers, easy availability of raw material etc. which results in limiting the pricing flexibility resulting in pressure on company's revenue and margins. Further demand of tiles has direct correlation with the performance of real estate sector (key consuming sector), which is cyclical in nature. Any slowdown in the real estate industry has an adverse impact on the ceramic industry and vice-versa

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

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

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

Liquidity – Adequate



Press Release

The liquidity position of the company remained adequate marked by sufficient cash accruals vis-à-vis repayment obligations. The company maintained unencumbered cash and bank balances of Rs.1.01 crore as on March 31, 2024 (P). Further, the current ratio and quick ratio stood at 1.11x and 0.56x as on March 31, 2024 (P). Company's average working capital utilization of the sanctioned bank limits stood at ~95%, thus reflecting high utilisation of the fund-based facility, however, the same is attributed to the increase in scale of operations.

About the Company

Maps Granito Private Limited (MGPL), a private limited company located in Morbi, Gujarat, was incorporated in 2016. MGPL is promoted by Mr Jayantilal Kotadiya, Mr Krunalbhai Kotadiya and Mr Rupeshkumar Kotadiya, and manufactures glazed vitrified tiles. The company sells its products in domestic as well as international markets. MGPL is an ISO certified company.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Provisional
Total Operating Income	215.74	262.90
EBITDA	18.75	20.85
PAT	2.41	4.33
Total Debt	103.39	103.43
Adjusted Tangible Net Worth	77.40	81.73
EBITDA Margin (%)	8.69	7.93
PAT Margin (%)	1.10	1.63
Overall Gearing Ratio (x)	1.34	1.27
Interest Coverage (x)	2.07	2.05

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA:



Press Release

Brickwork Ratings has continued the ratings in non-cooperation category vide press release dated April 18, 2024 on account of non-furnishing of information required for the rating.

India Ratings has moved the ratings in non-cooperation category vide press release dated October 10, 2023 on account of non-submission of three consecutive No Default Statement.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Date (Month XX, 20XX)	Date (Month XX, 20XX)	Date (Month XX, 20XX)
1.	Long Term Fund Based Facilities - Term Loan	Long Term	46.74	IVR BBB- / Stable	-	-	-
2.	Long Term Fund Based Facilities - GECL	Long Term	11.39	IVR BBB- / Stable	-	-	-
3.	Long Term Fund Based Facilities - Cash Credit	Long Term	40.00	IVR BBB- / Stable	-	-	-
4.	Short Term Non Fund Based Facilities - Bank Guarantee	Short Term	7.00	IVR A3	-	-	-

Analytical Contacts:

Name: Jalaj Srivastava
Tel: (079) 40393043
Email: jalaj.srivastava@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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).



Press Release

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
Term Loan	-	-	-	Up to March 2028	46.74	IVR BBB- / Stable
GECL	-	-	-	Up to August 2028	11.39	IVR BBB- / Stable
Cash Credit	-	-	-	Revolving	40.00	IVR BBB- / Stable
Bank Guarantee	-	-	-	Revolving	7.00	IVR A3

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-MapsGranito-jul24.pdf>

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



Press Release

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.

