



## Press Release

### Seron Granito Private Limited (SGPL)

January 23, 2024

#### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	49.55	IVR BB+/ Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Revised from IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook) and moved to ISSUER NOT COOPERATING Category	Simple
Short Term Bank Facilities	6.00	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; ISSUER NOT COOPERATING*)	Revised from IVR A3 (IVR A Three) and moved to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>55.55 (Rupees Fifty-Five crore and Fifty-Five lacs only)</b>			

*\*Issuer did not cooperate; based on best available information*

**Details of Facilities are in Annexure 1**

#### Detailed Rationale

The revision in the ratings assigned to the bank facilities of Seron Granito Pvt Ltd. (SGPL) reflects lack of adequate information available, non-payment of annual surveillance fees and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lender, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

#### Note on Non-cooperation



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Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide email communications dated December 18, 2023, December 19, 2023, December 21, 2023, and January 03, 2024, and concurrently over several phone calls. However, despite the repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the ratings except the financials.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the rating for the bank facilities of Seron Granito Pvt Ltd. aggregating Rs.55.55 crore has been migrated to 'ISSUER NOT COOPERATING' category by Infomerics.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Policy on Issuer Not Cooperating](#)

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria for assigning outlook](#)

[Default Recognition Policy](#)

**About the Company**

Seron Granito Private Limited (SGPL) based out of Morbi, Gujarat was incorporated in the year 2016. SGPL is engaged in manufacturing of large sized glazed ceramic tiles. These tiles find application as wall tiles and floor tiles. The company is promoted by Mr. Harshil and Mr. Ravi Patel who remained adequately experienced in the ceramic tile industry.

**Financials (Standalone)**

(Rs. crore)



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For the year ended / As On*	31-03-2021 (Audited)	31-03-2022 (Audited)
Total Operating Income	101.85	120.53
EBITDA	12.57	11.72
PAT	3.48	2.91
Total Debt	43.12	43.78
Adj. Tangible Net Worth	27.28	31.97
<b>Ratios</b>		
EBITDA Margin (%)	12.34	9.73
PAT Margin (%)	3.39	2.40
Adj. Overall Gearing Ratio (x)	1.42	1.17

\*As per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

### Rating History for last three years:

Sl. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (November 07, 2022)	Date(s) & Rating(s) assigned in 2021-22 (October 19, 2021)	Date(s) & Rating(s) assigned in 2020-21
1	Cash Credit	Long Term	15.00	IVR BB+/Negative; INC	IVR BBB-/ Stable	IVR BBB-/ Stable	-
2	Term Loan	Long Term	34.55	IVR BB+/Negative; INC	IVR BBB-/ Stable	IVR BBB-/ Stable	-
3	Bank Guarantee	Short Term	6.00	IVR A4+; INC	IVR A3	IVR A3	-

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India



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registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit [www.infomerics.com](http://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, suspend 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: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Term Loan	-	-	June, 2026	24.55	IVR BB+/ Negative; INC
Term Loan - GECL	-	-	February, 2027	10.00	IVR BB+/ Negative; INC
Cash Credit	-	-	-	15.00	IVR BB+/ Negative; INC
Bank Guarantee	-	-	-	6.00	IVR A4+; INC

**Annexure 2: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 3: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/len-SeronGranito-jan24.pdf>



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**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** 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](http://www.infomerics.com).

