

Exxaro Tiles Limited

September 30, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 113.97 Crore	Regulator [^]
Long Term Rating	IVR BBB-/Stable (Rating Reaffirmed with Stable outlook; Rating removed from Watch with Negative Implications)	RBI
Short Term Rating	IVR A3 (Rating Reaffirmed; Rating removed from Watch with Negative Implications)	RBI
[^] Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics Ratings has removed its ratings on Exxaro Tiles Limited (ETL) from 'Rating Watch with Negative Implications' and has assigned 'Stable' outlook while reaffirming the ratings at 'IVR BBB-/IVR A3'. IVRL has earlier placed the ratings on Negative watch on account of temporary shutdown of one of the production lines driven disruptions in gas supply due to ongoing geopolitical tensions.

The ratings derive strength from its healthy growth in scale and profitability in Q1FY27, comfortable capital structure and debt coverage indicators, experienced promoters and established presence in the vitrified tile industries and locational advantage and established market network. These rating strengths are partially offset by exposure to volatility in prices of raw materials and fuel prices, exposure to intense competition and the risk of supply disruptions due to ongoing geopolitical tensions.

Outlook: Stable

The Stable outlook is supported by improved financials, steady business performance and improving industry prospects.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidation
Parent/ Group Support	Not Applicable

*List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

Healthy growth in scale and profitability in Q1FY27

The turnover of the company remained range bound over last three financial years, profitability has improved with the stabilisation in operating costs in FY26 achieving a turnover of Rs. 297 crores with an operating profit of Rs. 24.93 crore and PAT of Rs.2.83 crore, while EBITDA and PAT margin was at 8.18% and 0.93% respectively. Subsequently, the company has achieved a turnover of Rs. 85.22 crore in Q1FY27 with an operating profit of Rs. 7.73 crore and PAT of Rs. 2.07 crore. With the improved efficiency and uninterrupted production along with proportionate increase of high margin sale of premium products helps to improve the profitability in current fiscal.

Comfortable capital structure and debt coverage indicators

Capital structure of the company remained comfortable over the years where overall gearing ratio was at 0.33x as on March 31, 2026, remaining stable from 0.33x as on March 31, 2025. Interest coverage ratio was at 2.08x in FY26, improved from 1.90x in FY25 and further improved to 2.83x at the end of Q1FY27. Total indebtedness of the company marked by TOL/TNW has remained comfortable at 0.74x as on March 31, 2026.

Locational advantage and established market network

ETL's manufacturing facility is located at Talod, Sabarkantha and Padara, Vadodara in the state of Gujarat. The locations are within proximity of one of the largest ceramic cluster of India, Morbi (Gujarat), which accords it locational advantage in terms of raw material sourcing and easy availability of skilled manpower. Further, proximity to major seaports also provides the necessary access for exports. The company has well established selling network throughout India and overseas market. The company covers around 26 states in India through over 800 dealers and distributors and around 2000 touch points. The company markets its tiles under the brand name if Exxaro and Aresta which is among the well-established premium tiles brand in India.

Weaknesses

Exposure to volatility in prices of raw materials and fuel prices

Raw material and fuel are the two major cost components (~70%-80%) that determine the cost competitiveness in the ceramic industry. ETL has limited control over the prices of its key inputs such as different types of clays, feldspar, silica, natural gas etc. Hence, its profitability remains susceptible to fluctuations in raw material and fuel prices, given its limited ability to pass on the rise to customers amid intense competition in the industry.

Exposure to intense competition and cyclical nature in ceramic industry

The tiles industry is intensely competitive with the presence of numerous organized as well as unorganized players. Intense competition restricts profitability, given the limited pricing flexibility. Apart from this, the real estate industry is the major end-user of ceramic tiles. Thus, the company's sales and cash flows are vulnerable to cyclical nature in this segment.

Working capital intensive nature of operations

Ceramic tile manufacturing sector is working-capital intensive nature owing to large inventory holding and elongated credit terms allowed to dealers/ distributors. ETL manufactures tiles of various designs and sizes to cater the market demand resulting in a sizeable inventory of the finished goods. Furthermore, it also needs to maintain enough finished goods as inventory at the depots and at its display centres for better customer service and faster deliveries. The credit period allowed to dealers/ distributors also remains high at around 90 to 120 days due to intense competition in the domestic industry.

Liquidity –Adequate

The company has earned a gross cash accrual of Rs. 13.40 crore in FY26. Further the company is expected to earn a gross cash accrual in the range of ~ Rs. 14 to 23 crores as against its debt repayment obligations around ~ Rs. 6 crore per year during FY27-29. Accordingly, the liquidity position of the company is expected to remain adequate in the near to medium term. However, average fund-based utilisation of the company remained high at ~96% during the past 12 months ended August 2026. With moderate debt repayments along with an unencumbered cash balance of Rs. 1.90 crore as on March 31, 2026, the company has sufficient liquidity to comfortably meet any short-term financial needs.

Rating Sensitivities

Upward Factors

- Significant growth in scale of operations with improvement in profitability metrics thereby leading to overall improvement in cash accruals and liquidity.
- Improvement in the debt protection metrics with interest coverage above 2.5x.

Downward Factors

- Dip in operating income and/or profitability impacting the debt coverage indicators and/or moderation in overall gearing.
- Any significant rise in working capital intensity or unplanned capex leading to a deterioration in the liquidity position.

About the Company

Exxaro Tiles Limited (ETL) was incorporated during January 2008 as Ricasil Ceramic Industries Private Limited (RCIPL) in Nadiad, Gujarat by a Patel family to initiate a ceramic products trading and manufacturing business. Later, in 2018, RCIPL rechristened as Exxaro Tiles Private Limited (ETPL) and subsequently in December 2020, ETPL converted into a public limited company and renamed as ETL. In August 2021, the company got listed on BSE and NSE. Since inception, the company was into manufacturing of ceramic frit, which uses as raw material in ceramic industry. In later period, with various diversification and expansion, the company currently engaged in manufacturing of single and double charged vitrified tiles and Glazed Vitrified Tiles and appeared as a distinguished player in the industry. The company markets its products under the brand name of Exxaro and Aresta and covers most of the Indian states through dealers-distributors and touch points. The company also into export of a small portion of its turnover to Europe and Gulf region on a regular basis. Currently the company has initiated a capex program to install 5MW solar power project at Gorol in Sabarkantha district of Gujarat, to enhance energy efficiency and promote sustainability with substantial savings on power costs, thereby improved efficiency. Mr. Mukeshkumar B. Patel, Chairman & Managing Director, looks after day-to-day affairs of the company along with other six directors and a team of experienced personnel.

About the Group

The Exxaro Group is engaged in the ceramic tile industry, with Exxaro Tiles Limited ("ETL") as the listed holding/operating company and Exxaro Ceramic Limited ("ECL") as its wholly owned subsidiary. The Group's principal business is the manufacturing and marketing of ceramic/vitrified tiles used primarily in flooring applications.

The Group operates manufacturing facilities in Gujarat and markets its products under the “Exxaro” brand through a domestic dealer and distribution network.

Key Financial Indicators (Consolidated):

For the year ended/ As on*	31-03-2025	31-03-2026	Q1FY2027
	Audited	Audited	Unaudited
Total Operating Income	304.21	304.90	85.22
EBITDA	22.71	24.93	7.73
PAT	-0.12	2.83	2.07
Total Debt	92.17	93.28	-
Tangible Net Worth (TNW)	276.77	279.71	-
EBITDA Margin (%)	7.47	8.18	9.07
PAT Margin (%)	-0.04	0.93	2.43
Overall Gearing (times)	0.33	0.33	-
Interest Coverage (times)	1.90	2.08	2.83

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026	Q1FY2027
	Audited	Audited	Unaudited
Total Operating Income	299.63	281.82	73.79
EBITDA	21.27	23.92	6.22
PAT	-0.78	2.11	0.95
Total Debt	90.04	93.96	-
Tangible Net Worth (TNW)	276.18	278.38	-
EBITDA Margin (%)	7.10	8.49	8.43
PAT Margin (%)	-0.26	0.75	1.28
Overall Gearing (times)	0.33	0.34	-
Interest Coverage (times)	1.78	2.00	2.27

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria for assigning Rating outlook](#)

[Default Recognition Policy](#)

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

[Consolidation of Companies](#)

[Policy on placing ratings on rating watch](#)

Status of non-cooperation with previous CRA: Brickwork Ratings through its press release dated August 11, 2025 continued ETL's rating under 'Issuer not Cooperating' category on account of inadequate information to carry out the review.

Any other information: None

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			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 in 2023-24
					Mar 31, 2026	Mar 05, 2026		
1.	Fund based facilities	LT	97.49	IVR BBB- /Stable	IVR BBB- /RWNI	IVR BBB- /Stable	-	-
2.	Non-fund based facilities	ST	16.48	IVR A3	IVR A3/RW NI	IVR A3	-	-

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	Listing Status	Regulator ^	Complexity Indicator
Term Loan 1	-	-	-	Jan 2033	12.66	IVR BBB- /Stable	NA	RBI	Simple
Term Loan 2	-	-	-	Dec 2027	3.83	IVR BBB- /Stable	NA	RBI	Simple
GECL	-	-	-	Jan 2028	11.00	IVR BBB- /Stable	NA	RBI	Simple
Cash Credit 1	-	-	-	-	35.00	IVR BBB- /Stable	NA	RBI	Simple
Cash Credit 2	-	-	-	-	35.00	IVR BBB- /Stable	NA	RBI	Simple
CEL	-	-	-	-	0.18	IVR A3	NA	RBI	Simple
Letter of credit	-	-	-	-	4.60	IVR A3	NA	RBI	Simple
Bank Guarantee 1	-	-	-	-	11.40	IVR A3	NA	RBI	Simple
Bank Guarantee 2	-	-	-	-	0.30	IVR A3	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len_Exxaro_Tiles30_Sep26_e0660af8b6.pdf

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

Annexure 4: List of companies considered for Consolidated analysis:

	Name of the entity	Extent of Consolidation	Rationale for consolidation
1.	Exxaro Ceramic Limited	Full	Wholly owned Subsidiary

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA

Sr. No.	Instrument / activity Name	Regulator of the instrument
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	+
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side Regulator such as IRDAI, PFRDA @

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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