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New Delhi : 28.07.2025

BSE Limited
Corporate Relation Department
1st Floor, New Trading Ring
Rotunga Building Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai-400 051

Stock Code - 530365

Stock Code: ORIENTBELL

Sub: Intimation under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 – Credit Rating

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, this is to inform you that CRISIL Ratings has modified its 'CRISIL A/ Negative' ratings on the bank facilities of Orient Bell Ltd (OBL) as below.

Rating Action

Total bank loan facilities rated	Rs. 236.15 crore
Long-term rating	Crisil A-/Stable (downgraded from 'Crisil A/Negative')
Short-term rating	Crisil A2+ (downgraded from 'Crisil A1')

The ratings continue to reflect the established position of the Company in the tiles industry, its diversified geographical reach and clientele and healthy financial risk profile.

The rating rationale dated 28-Jul-25, published by CRISIL Ratings, on its website in this regard is attached herewith. The relevant web link is as under:

https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/OrientBellLimited_July%2028_%202025_RR_364918.html

You are requested to take this information on your record.

Yours faithfully,
For Orient Bell Limited

Yogesh Mendiratta
Company Secretary & Head – Legal

Encl.: as above

Orient Bell Limited

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CIN: L14101UP1977PLC021546

Rating Rationale

July 28, 2025 | Mumbai

Orient Bell Limited

Ratings downgraded to 'Crisil A-/Stable/Crisil A2+'

Rating Action

Total Bank Loan Facilities Rated	Rs.236.15 Crore
Long Term Rating	Crisil A-/Stable (Downgraded from 'Crisil A/Negative')
Short Term Rating	Crisil A2+ (Downgraded from 'Crisil A1')

Note: None of the Directors on Crisil Ratings Limited's 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.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has downgraded its ratings on the bank facilities of Orient Bell Ltd (OBL) to '**Crisil A-/Stable/Crisil A2+**' from '**Crisil A/Negative/Crisil A1**'.

The downgrade in ratings factors in moderation in the business risk profile of OBL, marked by a steady decline in revenue and profitability over the years. Revenue remained stagnant at Rs 672 crore in fiscal 2025 (Rs 677 crore in fiscal 2024) due to moderation in demand across the industry in both domestic as well as export market. Operating performance is expected to improve over the medium term, amidst strategic decision undertaken by the management towards revenue growth with increase in advertisement campaign for wider reach and with introduction of a new adhesive product. Though revenue growth is expected to remain rangebound at 4-5% in fiscal 2026, it may gradually improve with traction from new products and increase in market share supported by completion of real estate projects; its timely recovery and sustenance thereafter will remain monitorable. Furthermore, though the operating margin improved to 4.4% in fiscal 2025 (from 3.4% in fiscal 2024) supported by improved traction from vitrified tiles as it commands a premium pricing, it may remain lower than Crisil Ratings' expectation of 5.5-6.0% and is expected to remain within range of 5.0-5.5% in fiscal 2026. Lower-than-expected operating margin during fiscals 2024 and 2025 was a result of high marketing expenditure, low offtake and intense competition resulting in lower realisation of few products, impacting cost efficiency. Any delay in recovery of the operating margin or further decline shall impact the business and liquidity risk profiles and hence will be closely monitored.

The ratings consider comfortable financial risk profile owing to sizeable network and low debt on books. Resultantly, gearing is estimated at 0.14 times and total outside liabilities to tangible network (TOL/TNW) ratio at 0.66 time as on March 31, 2025. While net cash accrual declined in fiscal 2025, it was comfortable to meet repayment obligation. Liquidity is also supported by the surplus available in the bank limit and cash and bank balance of nearly Rs. 30 crore as of March 2025.

The ratings continue to reflect the established position of OBL in the tiles industry, its diversified geographical reach and clientele and healthy financial risk profile. These strengths are partially offset by exposure to risks posed by Moderate scale of operations, Low operating profitability.

Analytical Approach

Crisil Ratings has combined the business and financial risk profiles of OBL and its wholly owned subsidiary Cestrum Enterprises Private Limited (CEPL). This is because both the companies, together referred to herein as the OBL group, have operational linkages.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Established position in the domestic tiles industry and diversified geographical reach and clientele:** OBL is one of the leading organised tile manufacturers in India. After acquisition of Bell Ceramic Ltd in 2010, the company has become a pan-India player, with plants across northern, southern and western regions. The diversified client base comprises 381 dedicated tile boutiques and institutional buyers and over 3,000 dealers across the country, with market leadership in the north. The company derives around 49% of revenue from the northern market, followed by the southern (20%) and eastern parts (24%), which contributed around 45% each during fiscal 2025. Thus, revenue and profitability remain insulated from any sharp changes in the preferences of buyers in any particular region. Given its focus on improving brand presence across India, the company has increased its budget for marketing and branding activities. Sustained improvement in operating performance remains key monitorable.

- **Healthy financial risk profile:** The financial risk profile should remain supported by low dependence on debt and the absence of any large, debt-funded capex. Network is estimated at Rs 311 crore, gearing at 0.14 time and TOL/TNW ratio at 0.66 time as on March 31, 2025; gearing and TOL/TNW ratios are likely to remain below 1 time over the medium term as well. Debt protection metrics may continue to be healthy, with interest coverage ratio of 6.2 times and net cash accrual to adjusted debt ratio of 0.55 time for fiscal 2025; the metrics may improve to more than 8 times and 0.8-0.9 time respectively in fiscal 2026 with steady increase in the operating margin. Any large, debt-funded capex leading to deterioration of the financial risk profile remains a key monitorable.

Weaknesses:

- **Moderate scale of operations:** Revenue remains stagnant to Rs 672 crore in fiscal 2025 (Rs 677 crore in fiscal 2024) due to moderation in demand and intense competition (from both organised and unorganised players). Operating performance is expected to improve over the medium term amidst the strategic decision undertaken by the management towards revenue growth with increase in advertisement campaign for wider reach and with introduction of a new adhesive product. Though revenue growth is expected to remain rangebound at 4-5% in fiscal 2026, it may gradually improve with traction from new products and increase in market share; its timely recovery and sustenance thereafter will remain monitorable.
- **Low operating profitability:** Operating margin of OBL has been modest at 3.5-4.5% for the two fiscals through fiscal 2025. Though the operating margin improved to 4.4% in fiscal 2025 (from 3.4% in fiscal 2024) supported by improved traction from vitrified tiles as it commands a premium pricing, but it may remain lower than Crisil Ratings' expectation of 5.5-6.0% due to high marketing expenditure, low offtake and intense competition resulting in lower realisation of few products, impacting cost efficiency. Going forward margins are expected to remain within range of 5.0-5.5% in fiscal 2026.

Despite being an established player in the ceramic tiles industry, the company faces intense competition from both unorganised entities and reputed brands. The ability to pass on any increase in raw material cost, amidst the competitive scenario, remains a key rating sensitivity factor. Crisil believes any delay in recovery of the operating margin or further decline shall impact the business and liquidity risk profiles and hence will be closely monitored.

Liquidity: Strong

Liquidity should remain supported by the ample surplus available in cash accrual and bank lines. Bank limit utilisation was just about 0.22% for the 12 months through May 2025. Cash accrual is expected at Rs 28-30 crore per annum, against yearly debt obligation of Rs 12-14 crore over the medium term. Current ratio is estimated at 1.3-1.4 times on March 31, 2025. Low gearing and moderate network may aid financial flexibility.

Outlook: Stable

OBL will continue to benefit from its established position in the tiles industry, diversified geographical reach and clientele and healthy financial risk profile.

Rating sensitivity factors

Upward factors:

- Steady and significant revenue growth and operating margin at 8.5-9%, leading to higher-than-expected cash accrual
- Sustenance of healthy financial and liquidity risk profiles amidst efficient working capital management

Downward factors:

- Operating profitability declining to below 4.5% over the medium term, resulting in lower-than-expected cash accrual
- Any large, debt-funded capex or a sizeable stretch in the working capital cycle

About the Company

OBL (formerly, Orient Ceramics and Industries Ltd) is a public-limited company, listed on the Bombay Stock Exchange and National Stock Exchange. Mr Daga and his family members are the promoters. It The company manufactures ceramic wall, floor glazed and various types of vitrified tiles under the Orient Bell brand. Facilities are at Sikandarabad in Uttar Pradesh, Dora in Gujarat, and Hoskote in Karnataka.

Cestrum Enterprises Private Limited (CEPL), is incorporated to start its unbranded trading of tiles and company also introduce product under Adhesive for Tiles under the brand of Master Bond.

Key Financial Indicators

Consolidated

As on/for the period ended March 31		2025	2024
Operating income	Rs crore	672	677
Reported profit after tax (PAT)	Rs crore	2.84	0.91
PAT margin	%	0.42	0.13
Adjusted debt/adjusted networkth	Times	0.14	0.13
Interest coverage	Times	6.31	12.15

Any other information: Not Applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available

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For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Letter of credit & Bank Guarantee	NA	NA	NA	7.00	NA	Crisil A2+
NA	Non-Fund Based Limit ^{&}	NA	NA	NA	50.00	NA	Crisil A2+
NA	Proposed Fund-Based Bank Limits	NA	NA	NA	15.15	NA	Crisil A-/Stable
NA	Working Capital Facility [^]	NA	NA	NA	35.00	NA	Crisil A-/Stable
NA	Working Capital Facility ^{&}	NA	NA	NA	55.00	NA	Crisil A-/Stable
NA	Working Capital Facility ^{\$}	NA	NA	NA	33.00	NA	Crisil A-/Stable
NA	Long Term Loan	NA	NA	30-Jun-28	41.00	NA	Crisil A-/Stable

& - 100% fungibility in between fund based limit and non fund based limit

[^] - 100% fungibility between fund-based limit and non fund based limit

^{\$} - One way 100% interchangeability from Fund based limit to Non-fund based limit

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Orient Bell Ltd	Full	Parent entity
Cestrum Enterprises Private Limited	Full	Wholly owned subsidiary.

Annexure - Rating History for last 3 Years

Instrument	Current			2025 (History)		2024		2023		2022		Start of 2022
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	179.15	Crisil A-/Stable		--	29-04-24	Crisil A/Negative	25-09-23	Crisil A/Stable	01-07-22	Crisil A/Stable	Crisil A-/Stable / Crisil A2+
			--		--		--	05-05-23	Crisil A/Stable	27-06-22	Crisil A/Stable	--
Non-Fund Based Facilities	ST	57.0	Crisil A2+		--	29-04-24	Crisil A1	25-09-23	Crisil A1	01-07-22	Crisil A1	Crisil A2+
			--		--		--	05-05-23	Crisil A1	27-06-22	Crisil A1	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Letter of credit & Bank Guarantee	7	Axis Bank Limited	Crisil A2+
Long Term Loan	41	Axis Bank Limited	Crisil A-/Stable
Non-Fund Based Limit ^{&}	50	Standard Chartered Bank	Crisil A2+
Proposed Fund-Based Bank Limits	15.15	Not Applicable	Crisil A-/Stable
Working Capital Facility [^]	35	ICICI Bank Limited	Crisil A-/Stable
Working Capital Facility ^{&}	55	State Bank of India	Crisil A-/Stable
Working Capital Facility ^{\$}	33	Axis Bank Limited	Crisil A-/Stable

& - 100% fungibility in between fund based limit and non fund based limit

[^] - 100% fungibility between fund-based limit and non fund based limit

^{\$} - One way 100% interchangeability from Fund based limit to Non-fund based limit

Criteria Details

Links to related criteria[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)[Criteria for consolidation](#)

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